Cotton Duties, Indian,
report,

1895-96 to 1897-98

00134346

BOMBAY BRANCH
OF THE
ROYAL ASIATIC SOCIETY.
TOWN HALL, BOMBAY.

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From

THE COLLECTOR OF LAND REVENUE,
CUSTOMS AND OPIUM,
Bombay;

To

THE COMMISSIONER OF CUSTOMS, SALT,
OPIUM AND ABKA'RI.

Bombay Custom House,
21st August 1896.

SIR,

I have the honour to submit herewith the first Annual Report on the Working of the Indian Cotton Duties Act in the Bombay Presidency.

2. It will no doubt be a relief to Government to find that the report is not a lengthy or ponderous one, and I trust the condensed treatment of the various technical points involved therein has in no way obscured their full significance. After all, the main object of the report is statistical and the figures given are, I submit, full enough for all useful purposes.

3. The report, I regret to admit, is somewhat overdue, but considerable difficulty was experienced in collecting certain figures from the mofussil, and the delay in the case of a completely new report was, I submit, unavoidable.

4. Mr. Enthoven deserves considerable credit for the tact, judgment and foresight with which he has so successfully safeguarded the interests of Government.

Several important and complicated questions connected especially with stocks in hand arose from time to time, and the due settlement of these troublesome matters require constant care and watchfulness, as well as a due appreciation of the principles involved, on the part of the officer in immediate charge of the Department.

5. Mr. Enthoven has borne cordial testimony to the conciliatory and helpful attitude adopted by the Mill-owners' Association and individual mill-owners and managers towards this Department, and I have great pleasure in endorsing his remarks and in freely acknowledging the assistance we have received from them.

6. I also concur in the acknowledgments accorded by Mr. Enthoven to his Inspectors and subordinates.

I have the honour to be,
Sir,
Your most obedient Servant,
J. POLLEN,
Collector of Land Revenue, Customs and Opium.

REPORT ON THE WORKING OF THE INDIAN COTTON DUTIES ACT IN THE BOMBAY PRESIDENCY.

Preliminary Remarks.

Act XVII of 1894, imposing a duty on cotton yarns over 20's count spun in British Indian mills, came into force on December 27th, 1894, and was repealed with effect from January 22nd, 1896. On February 3rd of the present year a second Act (No. II of 1896) imposed a duty on all cotton goods produced in British India, "cotton goods" being used to denote all manufactures of cotton except yarn and thread. The period to which this report relates, viz., December 27th, 1894, to March 31st, 1896, covers the working of both Acts. It will be convenient to deal separately with each. The systems of taxing fine count yarns and of collecting duty on cotton goods, though in the main very similar, inasmuch as in both cases the assessments are made on returns delivered by the mill-owners and no duty is levied on exports to foreign ports except such as may be returned in full as drawback, still differ to a considerable extent in the number of mills to which they apply, in the point at which the goods become dutiable during the manufacturing process, and in the method in which returns for assessment are required to be prepared. In consequence the substitution of a 3½ per cent. duty on cotton goods for a 5 per cent. tax on yarns over 20's count necessitated considerable alterations in the arrangements made in this Presidency for collecting the duties first imposed. The extent of the change will be explained in the second portion of this report. It seems sufficient at this stage to note that although only half the mills in this Presidency weave cloth and are in consequence affected by Act II of 1896, the revenue estimated to be leviable under this Act is approximately twice as much as that which was derived from taxing yarns over 20's count. Yet in spite of the increase in revenue correctness in the mill-owners' returns is more easily secured, exported goods can more readily be exempted from payment of duty, and drawback questions are far simpler at present than was the case when fine count yarns alone were taxed. It is, moreover, exceedingly doubtful whether in the case of woven goods exported under claim for exemption or drawback on fine yarns contained therein, any system of exemption and refund could be devised which would not in time prove unreliable and even unworkable. It was in this connection that Act XVII of 1894 gave rise to questions of great technical complexity. Paragraph 17 of this report contains an account of the chief difficulties which arose and of the solution adopted to facilitate the smooth working of the Act. In weighting the yarns for the Indian market with a duty equivalent to the tax on imported yarns, it was apparently not the intention of the Legislature to handicap the cloth exports of this country in foreign markets. It would, therefore, have been a serious failure had the provisions of the Act for securing the exports from taxation proved unworkable. How this was for the time avoided will be shown below. The formula system with a working margin proved for the time successful. It is scarcely probable that it would have continued for any lengthy period to assure that connection between the payment and the refund of duty without which no drawback system can be held to be satisfactory; and it is not easy to see how any other system could be devised which would have been more successful. The repeal of the Act (XVII of 1894) came in time to remove the risk of a break down in the working of the sections (20, 21) relating to drawback on yarns woven into cloth—a contingency which a year's working of the Act offered good grounds for anticipating.

Act XVII of 1894.

Act XVII of 1894.

2. In December 1894, at the time of the passing of the first Cotton Duties Act, there were in the Bombay Presidency 96 cotton mills, of which 66 were situated within the Town and Island of Bombay, and the remaining 30 were distributed as follows throughout the districts of the Presidency:—

Ahmedabad	14
Broach	4
Surat	3
Kaira	1
Thána	2
Poona	2
Khándesh	1
Sholápur	1
Belgaum	1
Dhárwár	1
	30

Of these one mill alone, the Nadiád Mill in Kaira, was unable to produce yarn finer than 20's. The remaining 95 were all in position to turn out yarn of finer counts, and, as a matter of fact, all mills outside Bombay Town and Island regularly continued to do so as long as the Act was in force. In Bombay itself about 30 mills paid no duty to Government either on account of their having produced no high count yarn, or because, as in the case of the Greaves Cotton group, yarn of over 20's was only spun for export. It was thus necessary to provide for the monthly assessment of 65 mills, and for keeping under supervision the remaining 30 which might at any time commence the manufacture of dutiable counts.

Mills in Native Territory.

3. Enquiries made at the time of the introduction of the Act disclosed the existence of four mills in Native territory adjoining the districts of this Presidency. These cotton mills were situated at Baroda, Bhávnagar, Indore and Morvi respectively. The Morvi mill was reported incapable of producing high count yarns. In the case of the other mills no evidence was forthcoming or has since been produced to show that their yarns compete with those spun in British mills. It seemed, however, not unlikely that the tax on British yarns might in time subject them to unfair competition, especially in Ahmedabad District, where the Baroda mill is situated more favourably with regard to certain villages than are the British mills in Ahmedabad. It was thus necessary that measures should be taken for putting the production of both on an equal footing. The total exclusion of the yarns, or the taxation on import, *i.e.*, at the frontier, did not appear practicable owing chiefly to the facility with which any arrangements for excluding the yarns or for taxing them at the frontier could have been evaded. Steps were therefore taken to represent to the Darbárs of the respective States the desirability of imposing on the mills in their territories a tax similar to that paid by British mill-owners and of thus avoiding the imposition of frontier duties which would otherwise be necessary. At the Morvi mill a tax of nearly 4 per cent. on yarns was found to be already levied and no further taxation was imposed. In all other cases the suggestion was accepted and duties are said to have been forthwith imposed on the high counts spun in these mills. It is not known how the assessments were made or whether the system of taxation adopted can be said to have been complete and efficient.

Revenue levied.

4. The revenue levied under the Act during the period of this report was as follows:—

	1894-95.			1895-96.		
	Rs.	a.	p.	Rs.	a.	p.
Bombay Town and Island	77,701	6	3	3,81,585	15	8
Mills outside Bombay...	18,607	15	0	1,83,526	12	5
	96,309	5	3	5,65,112	12	1

making in all Rs. 6,61,422-1-4. Particulars of the monthly [illegible] in Appendix II. A second table (Appendix I) shows how the assessments for each month were collected. At the end of the year Rs. 1,051-15-0 remained outstanding. This amount has since been recovered in full.

5. Statistics are given (Appendices III and IV) showing the quantity of yarn of each count produced, yarn of 20's and under being included in one entry as no particulars of count were as a rule furnished for the coarser yarns. It will be seen that for the whole period under report the gross production of yarns over 20's and other yarns was as follows:— Production of Yarn.

Yarns over 20's count	...	...	43,044,422 lbs.
Yarns 20's and under	...	...	350,650,967 ,,
		Total	393,695,389 ,,

representing 11 per cent. and 89 per cent. of the outturn, respectively. These figures are in accordance with the estimate of the Bombay Mill-owners' Association to the effect that 10 per cent. of the yarns spun in British India are over 20's count.

6. The revenue shown in paragraph 4 was collected by means of assessments on returns prepared in a form which has been published in the rules under the Act. The form of return in use in this Presidency contains a special feature in the particulars of the average production per spindle per diem of each count over 20's. These averages were included in the return, because it was thought that they would constitute a check, though a rough one, on the amounts returned for taxation. Similar particulars are furnished by mill managers to their agents in their daily reports of yarn production, which contain for each count the spindle production reduced to 20's. Objection was at first taken by the mill-owners to the inclusion of these averages in the returns on the ground that they entailed an amount of clerical labour incommensurate with their utility. It was alleged in certain quarters that a mere change in the cotton-mixing would affect the averages by as much as 25 per cent. The particulars were, however, retained in the hope that they would, by providing even a rough indication of the accuracy of the return, diminish the necessity for constant references to the books of the mills. They remained until the repeal of the Act. The following tables will show that in many instances they were of real value as an indication of accuracy in the returns received:— Returns under Section 7.

A Bombay Mill (1).

Month.	No. 44.	No. 40.	No. 36.	No. 34.	No. 30.	No. 28.	No. 24.	No. 22.
1895.								
January—								
Average	2·56	3·06	3·57	3·86	4·37	Nil.	6·04	6·11
Number of spindles ...	59,736	367,500	7,800	85,800	157,032	...	241,228	10,788
February—								
Average	2·64	3·21	3·79	3·89	4·50	5·29	6·32	6·42
Number of spindles ...	92,616	352,500	12,900	72,900	97,116	8,484	170,100	6,264
March—								
Average	2·72	3·21	3·69	3·84	4·74	4·90	6·23	6·96
Number of spindles ...	41,445	475,560	31,800	69,600	58,200	41,904	188,156	3,384
April—								
Average	Nil.	3·24	Nil.	4·13	4·70	5·04	6·52	6·70
Number of spindles ..	...	404,232	...	103,800	186,468	600	216,312	12,636
May—								
Average	2·64	3·31	Nil.	4·09	4·69	Nil.	6·56	6·67
Number of spindles ...	22,800	315,600	...	59,100	356,868	...	248,320	20,400
June—								
Average	2·40	3·17	3·70	Nil.	4·62	5·08	6·50	6·49
Number of spindles ...	31,200	298,200	6,000	...	345,708	7,500	239,352	18,096
Average variation for six months...	·09 3·5%	·06 1·9%	·06 1·6%	·12 3·3%	·11 2·4%	·11 2·2%	·16 2·5%	·25 3·8%

(1) The averages are given in ounces.

A Bombay Mill (2).

Month.	No. 21.	No. 22.	No. 22 T.	No. 24.	No. 24 T.	No. 26.	No. 28.	No. 30.
1895.								
January—								
Average per spindle ...	6·67	5·63	5·80	5·42	5·32	3·59	3·33	3·18
No. of spindles	205,140	56,754	78,810	218,152	10,458	86,592	41,328	29,520
February—								
Average per spindle ...	8·12	6·98	6·90	5·46	6·07	3·90	3·52	3·35
No. of spindles	9,198	31,122	77,996	208,870	30,996	70,971	88,437	79,704
March—								
Average per spindle ...	8·01	6·70	7·34	5·22	5·91	4·03	3·5	3·20
No. of spindles	97,516	38,044	98,000	214,382	63,528	56,620	71,709	141,659
April—								
Average per spindle ...	8·62	7·09	7·91	4·51	6·65	4·45	3·91	3·48
No. of spindles	73,365	9,576	117,660	200,844	18,396	57,318	47,970	104,058
May—								
Average per spindle ...	8·52	7·18	7·90	6·80	6·92	4·54	3·91	3·52
No. of spindles	110,880	1,390	72,816	209,272	58,212	67,035	73,554	78,720
June—								
Average per spindle ...	8·36	Nil.	8·26	6·77	6·73	4·22	3·75	3·50
No. of spindles	56,826	...	81,548	170,607	87,318	51,660	69,003	92,250
Average of variation for six months	·48 6%	·44 6·5%	·67 9%	·73 12%	·5 7·9%	·28 6·8%	·20 5·7%	·13 3·5%

A Bombay Mill (3).

Month.	No. 36.	No. 30.	No. 32.	No. 42.	No. 40.	No. 24.	No. 44.	No. 60.
1895.								
January—								
Average per spindle ...	4·45	3·83	3·39	1·94	3·43	5·78	2·02	1·59
No. of spindles	7,061	98,238	43,640	118,445	13,018	29,976	22,482	31,736
February—								
Average per spindle ...	4·36	3·68	3·40	2·16	3·20	5·91	2·15	1·58
No. of spindles	91,474	131,563	36,526	16,173	29,049	14,854	21,921	29,868
March—								
Average per spindle ...	4·29	3·60	3·25	1·95	3·03	5·93	2·24	1·53
No. of spindles	20,722	137,710	6,969	9,384	21,459	2,560	55,040	18,533
April—								
Average per spindle ...	Nil.	3·93	3·57	2·13	Nil.	Nil.	2·20	Nil.
No. of spindles	...	...	...	...	...	...	...	...
May—								
Average per spindle ...	5·17	4·33	3·90	2·42	Nil.	Nil.	2·34	Nil.
No. of spindles	5,382	33,879	242,091	16,268	...	...	3,256	...
June—								
Average per spindle ...	4·93	4·09	3·76	2·39	Nil.	Nil.	2·42	Nil.
No. of spindles	72,062	78,154	78,384	43,502	...	...	31,896	...
Average of variation for six months	·33 7·1%	·20 5·1%	·20 5·9%	·18 8·2%	·14 4·3%	·06 1%	·1 4·5%	·02 1%

7. It will be observed that a very large proportion of the yarns over 20's produced in the mills is shown in the statements of production as 21's (22·56 per cent). The larger portion of the yarns classed as 21's were 20½, *i. e.*, yarn bundled in 20½ knots weighing 10 lbs. This system of packing is common in Bombay, especially for the China market, and gave rise to a question whether such yarns are dutiable or not. The Act excluded from taxation yarns of a count commercially known as 20's. It is believed that this proviso was intended to free bundles of yarn containing yarns both finer and coarser than 20's, but weighing the same as a bundle of 20's yarn throughout. The bundles of 20½ knots in many cases may have contained yarns 20's or coarser throughout, but they could only weigh 10 lbs. if they were made up of yarns finer than 20's or contained hanks of short length. It did not seem desirable to assume the shortage. The yarns were therefore treated as 20½ and required to be returned for duty. The Bombay Mill-owners' Association, to whom the question of classification of these yarns was referred, approved of this course. The point was of importance, inasmuch as no duty can be satisfactorily assessed unless the line dividing dutiable from non-dutiable goods is certain and clear. It may be added that most of this 20½ yarn gained exemption by being exported.

8. No difficulty was experienced in collecting the amounts of the assessments made. In 42 cases notices under Section 8 (*a*) were issued owing to pay-

ment not being received within a few days of the intimation of assessment. In all cases the sums were received within the 10 days allowed by the notice.

9. No applications for permission to warehouse goods were received while the Act of 1894 was in force. At the time of introducing the Act mill-owners were individually consulted regarding the provision of warehouse accommodation. All replies received were to the effect that warehousing facilities were not required. Warehousing.

10. The assessment and collection of the duties in the mofussil was entrusted to the Collectors of the districts concerned, except in the case of Thána, where two mills, situated at Kurla, were attached to Bombay for the purposes of the Act. No additional staff was entertained in the districts. In Bombay Town and Island a staff and establishment costing Rs. 22,828 per annum was found to be necessary. With this provision it was intended to supervise the working of all mills in the Presidency, but to assess at first the mills in Bombay only. Subsequently proposals were made for controlling all mills from Bombay—a change which became unavoidable when the system of taxation was amended. The cost of the staff and establishment represents a percentage of 3·46 on the total revenue received for the year 1895-96, allowing proportionate additions for February and March during which months the duty ceased owing to the repeal of the Act. Establishment.

11. Apart from the small clerical establishment, the administration of the Act required the appointment of an additional Covenanted Assistant in Bombay and the creation of two Inspectorships of Factories. To these and to the Presidency Inspector of Factories, Mr. Shore, under the control of the Chief Inspector, was entrusted the work of supervising the mills, examining accounts, checking returns and export applications, and generally of making casual visits to the mills throughout the Presidency. Control of the mills through the Factory Department thus strengthened seemed advisable for many reasons. The new Inspectors, Messrs. Engel and Carpenter, were necessarily drawn from a class of men competent by previous training to undertake inspections under the Indian Factories Act as well as for the purposes of the Cotton Duties. More than half the Factories in the Town and Island of Bombay are cotton mills. Inspections in these instances thus served a double purpose and greatly added to the efficiency of the control of the mills under the Indian Factories Act, leading to an economy of the time necessary for inspections by a double staff. But the main reason for this joint staff was a consideration for the interests of the mill-owners, who have repeatedly urged, and no doubt with much force, that the position of an Inspector empowered under the Cotton Duties Act is such as to afford opportunities for acquiring knowledge of the manufacturing processes of the mills which could be utilized on his removal from Government service, to his own profit and to the detriment of the mill in which it was obtained. It is probable that this objection applies more to officers visiting the weaving mills than to the supervision of spindle output. At the same time a staff employed on duty of a twofold nature need not necessarily be discharged when part of their work ceases to be required of them. Taken in conjunction with the uncertainty which has always existed concerning the future of the cotton duties, these arguments will be appreciated as justifying the arrangements to which the Mill-owners' Association have on one occasion taken objection.

12. With the staff provided, the mills in Bombay were inspected on an average 3 or 4 times a month and those in the mofussil as frequently as possible. No serious irregularities were discovered. Frequent tests of the yarns under process at the mills paying no duty to Government failed to disclose the manufacture of yarn over 20's count. A few of these tests are given in Appendix V. In the case of weaving mills the yarns in use were found to vary occasionally to the extent of 2 or 3 counts from the standard of weft. It seems, for instance, clearly established that a cloth intended to contain 24's weft will at most mills be found to be frequently woven from 22's or 26's, and will at times show 28's and 30's. The cause of this has been elsewhere explained. Similar variations would appear to occur in the count of all weft yarns, a fact which often does not receive due consideration from those who advocate taxation of cloth by the count of weft contained.

13. Another point of no little importance was established by the experience gained in administering the Act. The finer cloths of the Indian mills seldom

contain warps over 20's. This being so, a tax on yarns over 20's is in most cases a tax on weft only. A 5 per cent. tax on weft would scarcely exceed 1½ per cent. on the finished value of the cloth. Thus the system of excise which imposed a 5 per cent. duty on yarns over 20's, though equalizing the incidence of import and excise duties on fine yarns, can scarcely be said to affect imported and local cloths alike. Either the two cloths are in competition or they are not. If the former, a 1½ per cent. tax on many kinds of local cloth is inadequate. If the latter, the tax is unnecessary. In neither case can the system be said to be satisfactory.

14. Of the two Inspectors, Mr. Engel was appointed on February 15th, 1895, and the second, Mr. Carpenter, on September 9th of the same year. Both officers were taken from the Bombay mills.

Certificates issued, Section 17.

15. The certificates issued under Section 17 of the Act allowing exemption from assessment of dutiable yarns exported to foreign ports were as follows:—

	No. of certificates issued.	Bales.
December 1894 to March 1895	68	1,990
April 1895 to February 1896	600	29,890

These 31,880 bales represent 8,818,022½ lbs. of yarn, of which the bulk was shipped to China and the rest in varying quantities to the ports of Singapore, Busrah, Baghdad, Samarang, Batavia and Zanzibar.

In the case of cloth containing dutiable yarns the applications and exports were:—

	No. of certificates.	Bales.
December 1894 to March 1895	107	843
April 1895 to February 1896	345	4,422

These bales contained 7,16,835·15 lbs. of dutiable yarn.

This cloth was exported mainly to Singapore, Massowa, Mozambique, Suakin, Busrah, Hongkong, Shanghai, Baghdad, Jedda, Zanzibar, Aden, Quilimane, Mombasa, Beira, Lamoo and Nagasaki.

The additional export bills required by the rules to be put in with the shipping bills, furnishing details of the date of production of the yarn and cloth with other particulars required for its identification, were, whenever necessary, compared with the books of the producing mill, and it is satisfactory to be able to record that the specifications were entered with great care and accuracy. In no cases were goods found to have been misdescribed in order to obtain exemptions where duty had not previously been paid.

Drawback, Sections 19 to 23.

16. The drawbacks allowed on duty-paid yarn were as follows:—

Yarn.

	Grey.				Dyed.			
	Lbs.	Rs.	a.	p.	Lbs.	Rs.	a.	p.
December 1894 to March 1895 ...	24,550	440	11	3	900	15	7	6
April 1895 to March 1896 ...	920,055½	16,118	13	10	344,145	6,985	13	7

Yarns in cloth.

	Yds.	Rs.
December 1894 to March 1895	*Nil*	*Nil*
April 1895 to March 1896	414,183½	7,440 7 7

The ports of destination being the same as in the case of the exports under claim for certificates. 67 claims were disallowed, being under Rs. 5.

Almost all claims for certificates and exports related to yarns produced in the mills of Bombay Town and Island. The only exceptions were three claims for certificates from the Gulam Baba Mill at Surat, and the following claims for drawback:—

4 from the Gulam Baba Mill at Surat.
1 from the Jafar Ali Mill do.
2 from the Ahmedabad Spinning and Calico Mill.

7 Total.

It does not seem that up-country mills can compete in the export trade with their more favourably situated rivals in Bombay. This fact, it may be noticed, very greatly simplifies the control and assessment of mills in the mofussil. Grey yarns exported both before and after payment of duty presented no difficulty. They were readily traced on the mill books, and obtained exemption and drawback according to the dates of production, *i.e.*, of bundling.

Difficulties in granting drawback on yarns woven into cloth before export.

17. In the case of exports of cloth provided for in Sections 20 and 21 of the Act, the satisfactory identification of the yarns contained therein was attended with many difficulties. What precisely these difficulties were is explained in the following extract from a note recorded by me on the subject three months before the repeal of the Act. It must be remembered that under Sections 20 and 21 the exporter claiming drawback on yarns woven into cloth must show—

(*a*) the quantities and counts of yarns in respect of which drawback is claimed, the mill at which they were produced, and as nearly as possible the dates on which they were produced;

(*b*) the mill at which and as nearly as possible the date on which the fabric was woven;

and the conditions of drawback being allowed are—

(*a*) that the said fabric has been woven within twelve months from the date on which it is shipped for export;

(*b*) that the yarns in respect of which drawback is applied for have paid duty within the said twelve months.

In reference to these conditions the note contains the following remarks:—

"At the time of the introduction of the Cotton Duties Act, a very short investigation into the conditions under which cloth is manufactured was sufficient to convince me that it would ordinarily be impossible for a mill-owner to provide at the time of exporting cloth accurate information either of the date of production of the yarn therein or of the count of the yarn which had actually been used in the process. If we could imagine a mill in which yarn was always spun to the true count, and in which the atmospheric conditions were so perfectly adjusted that it remained accurate; further, if the mill manufactured one kind of cloth only at all times and for all purchasers, it would, I fancy, be possible for the weaving master to furnish for every bale of cloth that left the mill an accurate statement of particulars in Form F under the rules. Under such conditions it would merely be necessary to arrange (1) that the yarn which was received from the spinning section of the mill passed into the hands of the weavers in the same order as that in which it was received, thus ensuring that all yarn would take an equal time in transit and so facilitating the subsequent calculation which would be necessary in order to ascertain on what day yarn in cloth had left the spinning section of the mill; and (2) that pieces of cloth were baled up in the order of their receipt from the looms without delay, so that the date of baling should afford an indication of the date on which cloth came from the looms.

Naturally such a condition of affairs exists nowhere. Yarn cannot be spun to wrap consistently an exact count; nor would it remain constant under varying atmospheric conditions. It therefore becomes necessary to change continually the count of yarn used as weft in any given piece of cloth. The extent of the variation depends to a large extent on the accuracy of the spinning and the competency of the weaving master. I have known it vary five or six counts in ordinary cases.

Now it must be further considered that the big weaving mills of Bombay produce several hundred different kinds of cloth, all varying in the count and quantity of weft contained. For a time, perhaps, certain kinds of cloth are in demand for which a special count of yarn is needed from the spindles. Suddenly the demand ceases, and a balance of this yarn lies by in the weft room until further use is found for it, possibly some six months later. Similarly, a change of count in the yarn being used on pieces of cloth under order, a change due to accidents in the conditions of manufacture such as have been indicated above, may cause an accumulation of that particular count in the weft room in such a way as to render inaccurate all attempts to calculate the time occupied by yarn in passing from the spindle into the finished cloth. Nor is this all. An inspection of the cloth baling room in a big mill will show the same irregularity in the time occupied by a piece of cloth between its leaving the looms and being finally closed in a bale as was seen to exist in the case of yarn going from the spindle to the cloth. Pieces of cloth being heavy lie about to be bundled with pieces which are light. It may even be necessary to combine heavy bundles with light bundles so as to ensure the bale being of a uniform weight. Other pieces remain over after a number of bales on order have been made up, and remain in balance till a fresh order for similar cloth is received.

7. I have, I hope, now made clear some of the salient features of the problem which is placed before the mill-owner when he is called on to show both the count and date of production of

yarn in a consignment of bales of cloth for export. To the practical manager the question savours not a little of the ridiculous. I am well aware that under Section 21 of the Act the exact date of production need not be insisted on in such cases. But it often happens that without the date the month of production is doubtful, thus rendering it uncertain when such yarn was assessed to duty. Further, even the month cannot in some cases be given with confidence, as it depends on the count, and the count may after baling be unascertainable.

8. Foreseeing this difficulty I proposed to the Bombay Mill-owners' Association in January last that drawback claims on cloth should be based on a system of formulas which has been since fully explained by me in subsequent reports The formula represents what the cloth should contain, not the real contents, but it was hoped that the difference would as a rule be of no great importance. It was further suggested that, for the time being, the dates of production should be supplied with the best approach to accuracy available. Experience tends to show that the difference between the formula particulars and actual contents is more perhaps than was anticipated, but not such as by itself to render the system unworkable. The dates of production furnished have, it is to be feared, been in many cases highly inaccurate.

9. It will be readily understood that if duty is to be levied on yarn of a certain count shown in the weft book as produced in a particular month and to be repaid as drawback on yarn of another (the formula) count produced in another month altogether, the drawback system must, in course of time, become unworkable and the accounts of the revenue hopelessly involved. It seems to me not only desirable but necessary that drawback should be given on the conditions which now prevail in the matter of bundled yarns. In other words, the exporter should be able to refer to the monthly return in which his consignment for export has been entered and satisfy the Collector that the yarn in the entry and the bales for shipment are identical. This is the only system of granting drawbacks not intended as a bounty. Now I venture to hope that I have shown so far that the exporter of cloth under the present system can neither hope in many cases to be in a position to refer to the monthly return in which the yarn in his cloth has been entered, nor to state under what count such yarn has been assessed. I quote an instance where one of the big mills in Bombay exported cloth which contained by formula reckoning 21,000 lbs. of 24's. The particulars furnished by the exporters from the mills showed that this yarn was 'produced' in July. A reference to the July return of the mill, however, gave 13,000 lbs. of 24's as passed into the weaving shed and liable to duty. The weft book was, no doubt, accurate enough; but I have reason to believe that a large portion of this cloth was made with 22's instead of 24's, and that, further, some of the yarn was not produced in July at all. Other similar cases are under enquiry. It is only in cases of the yarn on which drawback is claimed exceeding in quantity the yarn of the same count taxed for the month shown in column 5 of Forms F and I that the error is at once obvious.

10. The criticism here suggests itself that such discrepancies must be an inseparable part of a system which taxes yarn in one method and grants refunds in another. The weft book is taxed and the drawback is subsequently claimed on a formula which is admittedly an approximation only. The result must be unsatisfactory, there being no necessary correspondence between formula amounts and the quantities taxed. The agreement would, I am inclined to hold, be considerably closer than it has been found so far, did not the confusion which reigns concerning the dates of production add largely to the discrepancy by causing refunds to be claimed against the wrong month's return."

From this extract it will be evident that the decision of claims for drawback on yarns in woven goods was not unfrequently a question of great intricacy even with the assistance of the formula system. To prevent in some measure the rejection of claims in all probability well founded, a margin of 2 counts was allowed in dealing with such claims, that is to say, a claim for drawback on cloth of standard weft 24 would be allowed if for counts 22, 24 or 26 sufficient duty had been received in the month indicated to enable the claim to be met. Such an allowance constituted, it was felt, only a reasonable working margin for weavers. The concession proved of value in dealing with such applications; still there is reason to doubt whether the system could have answered permanently, even when so modified in the interests of mill-owners and exporters. Fortunately claims were not numerous, only Rs. 31,001-5-9 of the total revenue collected (Rs. 6,62,474-0-4) being returned as drawback during the period of this report. The repeal of the Act in the beginning of this year abolished an arrangement for refunds which must ultimately have led either to the rejection of many genuine claims for drawback or to a confusion in the accounts of the revenue inconsistent with the maintenance of an efficient check on drawback payments; these, in the absence of such a check, may easily degenerate into a bounty on exports. It seems only fair to mention that mill-owners generally gave every assistance in questions of this description, and evinced no intention of attempting to profit by the confusion which necessarily prevailed when counts of yarn were to be traced through woven goods. In one case, a mill, having temporarily lost the services

of the weaving master, was found to be claiming drawback on cloth bearing a standard of over 20's count, but in which no dutiable yarn was being used when the claim came up for decision. It is in no way certain that the use of the lower count, apparently due to the absence of a competent weaving master, had been commenced when the cloth exported was manufactured. But in view of the uncertainty which existed on the point the mill-owner at once withdrew all applications for drawback on cloth woven in his mill. Such a course was in the circumstances evidence of the extreme carefulness of mill-owners generally not to infringe the provisions of the Act.

Drawback on Dyed Yarns.

18. Applications for drawback on yarns dyed after production (Section 5, explanation (*c*)) were rare. They were only received in respect to yarns dyed at the steam dye works at Máhim. In all 43 claims were made for 397,844 lbs. of yarn (of which all claims but eleven were allowed) and Rs. 7,001-5-1* paid as drawback. Identification was facilitated in the case of the claims allowed by the yarn being bundled and baled before issue from the premises of the producing mill. On the bales thus issued were marked the dates of bundling and baling of the contents. A record was thus established which enabled the yarn subsequently to be traced through the books of the dye works back through the processes of dyeing to the bundling room of the producing mill. More complete evidence of identity could not in the circumstances have been hoped for without stationing an officer at the dye works to supervise the treatment of the yarn under process. To such a course an insuperable objection would have been encountered in the natural reluctance of the managers to admit strangers to their dye works. The expense would further have been out of all proportion to the amount of the claims at issue.

		Rs.	a.	p.
*1894-95	...	15	7	6
1895-96	...	6,985	13	7
		7,001	5	1

Act II of 1896.

Act II of 1896.

19. The Cotton Duties Act of 1896, in exempting all yarns and imposing a tax on cotton goods, removed from the scope of taxation all mills which have no machinery for weaving cloth. As a result the number of mills liable to taxation in this Presidency fell from 95 to 48. Three hosiery factories in Bombay Town were brought under control, making in all 51 factories for assessment. These are distributed as follows:—

Bombay Town and Island, including Thána... ...	33
Ahmedabad	12
Surat	1
Broach	2
Poona	1
Sholápur	1
Khándesh	1
Total ...	51

Thus the area covered by mills for assessment was concentrated by the complete exclusion of three districts and by limiting all but one-tenth of the mills to be assessed to the centres of Bombay and Ahmedabad. This change seemed to require a re-distribution of the inspecting staff provided previously under the Act of 1894, and further advantage was taken of the re-organization then necessary, to transfer from the District Collectors to the Custom House at Bombay the work of assessing the mofussil mills which, except in the case of the Thána District, had until then remained in charge of the Collectors. This latter alteration, desirable under the old system as soon as the work in Bombay had sufficiently settled into the regularity of routine, appeared under the new Act unavoidable, owing mainly to the anticipated difficulty of assessing *ad valorem* goods.

20. The following table may be of interest as showing the extent to which the weaving mills now taxed on their output of cloth obtained relief by the exemption of yarns from a 5 per cent duty.

Table showing how weaving mills disposed of their yarns over 20's count in the month of August 1895.

Number.	Amount for sale in Bundles.	Amount for Manufacture.	Remarks.
1	Nil.	17,406	Weaves all.
2	Nil.	32,112	Do.
3	Nil.	9,194	Do.
4	Nil.	41,557	Do.
5	74,375	52,309	Spins* and weaves.
6	Nil.	8,812	Weaves all.
7	31,600	30,205	Spins and weaves.
8	Nil.	17,753	Weaves all.
9	Nil.	47,893	Do.
10	Nil.	40,536	Do.
11	107,927	20,170	Spins and weaves.
12	Nil.	41,763	Weaves all.
13	11,510	44,389	Spins and weaves.
14	8,200	41,406	Do.
15	5,470	75,142	Do.
16	19,900	85,491	Do.
17	Nil.	3,629	Weaves all.
18	2,000	50,609	Spins and weaves.
19	6,800	5,272	Do.
20	105,600	21,311	Do.
21	12,600	20,099	Do.
22	52,380	28,863	Do.
23	74,400	52,611	Do.
24	Nil.	67,378	Weaves all.
25	51,210	37,530	Spins and weaves.
26	35,880	46,552	Do.
27	69,850	39,204	Do.
28	76,770	184,313	Do.
29	72,000	38,112	Do.
30	No particulars.		Weaves all.
31	Do.		Spins and weaves.
32	Do.		Only weaves.
33	5,000	48,000	Spins and weaves.
34	1,000	30,000	Do.
35	No particulars.		Weaves all.
36	Do.		Do.
37	Do.		Do.
38	9,000	25,000	Spins and weaves.
39	9,000	12,000	Do.
40	5,000	60,000	Do.
41	500	9,000	Do.
42	No particulars.		Weaves only.
43	7,000	20,000	Weaves and spins.
44	No particulars.		Do.

It will be observed that while 17 mills are shown in this instance to use all their high count yarns for weaving purposes, 27 deal largely in bundled yarns over 20's count. In the former case the new duty would largely increase the monthly payments due on production. In the latter there would be a gain of 5 per cent. duty on the high counts yarns bundled to set off against the new duty on coarse yarns in cloth.

21. The estimated effect of the change will in the aggregate increase the taxation in this Presidency by some five lakhs. The full effect of the change will not, however, be felt for some little time, owing to the large stocks held by many mills at the time of the passing of the Act. These stocks are freed from duty by Section 41 of the Act, provided the procedure laid down therein is complied with.

Mills in Native Territory.

22. Of the four mills in Native territory referred to in paragraph 3 above, three weave cloth. It is not yet known whether the system of taxation in these mills has been altered to resemble the new tax imposed in British India. Such a

* *Note.*—Spins, *i. e.*, spins yarn for bundling apart from yarn for weaving.

step has been suggested as desirable to avoid in a measure the prospects of unfair competition in Ahmedabad districts where some of the production of the Baroda mill is occasionally brought for sale. Meanwhile enquiries are being made concerning the extent of the competition which may arise. No information has so far been received to show that the Ahmedabad mills have been prejudiced in the market by the competition of unequally taxed goods.

Returns under Section 8.

23. The Act came into force on February 2nd, the first returns being due on March 7th following. Naturally the preparation of the new returns at first led to delay. By March 31st 16 returns were received, of which 4 were assessed and Rs. 196-1-5 credited to Government. A statement attached to this report (Appendix VI) gives particulars of the goods produced in February and March and the revenue levied in the latter month on each kind of cloth.

24. The following is a list of the untariffed goods already shown in returns as produced in the mills of this Presidency and which have therefore been assessed *ad valorem*:—Blankets, handkerchiefs, bleached chadars, printers, jaconets, striped cloth, dyed cloth, hosiery, figured goods, cloth with borders over 1½ inches, madapollams. It is believed that a tariff rate can be fixed in almost all instances. A revised tariff including these goods and other descriptions of cloth not already tariffed is now in course of preparation.

Warehousing.

25. It has been seen that no warehousing accommodation was required in the case of the Act of 1894. Under the present Act goods are only dutiable when removed from a mill. It therefore seemed less probable that warehousing would be resorted to under the present system of taxation. It rarely happens that mills are not provided with sufficient godown accommodation on their premises for the storage of all unsold stocks. In the case of one mill alone, the Kurla Spinning and Weaving Company, an enquiry was made by agents with a view to warehousing cotton goods. The position of this mill at a distance of 15 miles from the centre of Bombay renders the stocking of goods on the premises inconvenient for ready sales. Up to the present time, however, no application for leave to warehouse has been made by the agents, and it seems improbable that warehousing will be resorted to.

Establishment.

26. The revision of the duties, involving a more elaborate form of assessment and a large addition to the number of claims for exemption and drawback on exports, required the employment of a slightly increased clerical staff in the Custom House. Further, the large reduction in the number of mills to be controlled in Bombay Town and Island rendered it possible to depute one of the special Factory Inspectors to take charge of the mills in Gujarát, mainly centred at Ahmedabad. After providing an office for the latter, the total cost of staff and establishment debitable to the Cotton Duties administration in this Presidency amounts to Rs. 23,777, representing 2·82 per cent. on the estimated revenue for 1896-97. This compares favourably with the cost of collecting the duties under the Act of 1894, though in that case the percentage incidence, it will be remembered, was only 3·46. In addition to the transfer of one inspecting officer to Ahmedabad the new duties necessitated the appointment of a new officer, Mr. McCormack, in place of the former Inspector, Mr. Carpenter. The latter, as an officer skilled only in the spinning process of cotton manufacture, was not competent to control the loom production of the weaving mills. The re-arrangement took effect after the close of the period to which this report relates. It may however be mentioned, with reference to the remarks made in paragraph 11 above, that it was found possible to utilize the services of Mr. Carpenter in another department of the Custom House after his removal from the post of Inspector under the Cotton Duties and Factory Acts.

Exemptions and Drawbacks.

27. During the period between February 2nd and March 31st, 142 claims were received for free export and drawback. These were disposed of as follows:—

Number of claims.	Number in which certificates were issued.	Number allowed drawback.	Disallowed.
142	142	*Nil.*	*Nil.*

The certificates issued were thus 142. It may be noted that the monthly export of cloth from Bombay to foreign ports is about 2,000 bales. Owing to the fact that cloth is as a rule exported in small shipments of a few bales apiece, these exports give rise to many more claims for exemption and drawback than similar exports of yarn.

Free Stocks, Section 41.

28. Under Section 41 all mills were entitled to issue free of duty stocks of cloth ready for issue from the mill on the date of the passing of the Act, provided that a list of the same was promptly tendered to the Collector. Claims under this section were made by all the mills, the stocks being in some instances remarkably heavy. Two mills in Bombay had stocks of over 4,000 bales. The lists were found to be accurate; and in the case of bales no difficulty has been found in allowing free issue. Loose pieces of cloth in stock have somewhat complicated the assessments for the periods immediately following the introduction of the Act, and have similarly led to some slight confusion in dealing with exports containing such pieces. No record is ordinarily maintained of the disposal of pieces of cloth. It has seldom been possible to ascertain the number of the bale in which stock or free pieces of cloth have been packed. The matter has, however, been simplified by adopting a working assumption that stocks of cloth unbaled have been baled in the first packages of the same kind of cloth made up after the Act came into force. This hypothesis, if not in most cases accurate, can be justified by its results, and it has worked with excellent effect. It is anticipated that in the majority of cases the stocks of cloth entitled to free issue will be exhausted within 12 months of the date of passing of the Act. In a few cases there is a prospect of this limit being exceeded. The existence of these stocks requiring exemption has practically doubled the work of introducing the new system of taxation.

Special Drawbacks, Section 39.

29. Claims for drawback on yarns under Section 39 of the Act—yarns which would otherwise be taxed under both Acts—were not numerous. In all 24 were received, out of which 10 were allowed wholly or in part. The following table shows details:—

Claim No.	Claimed.	Allowed.
	Lbs.	Lbs.
1	5,477	5,477
2	5,203	5,203
3	1,906	1,906
4	10,523	4,336
5	31,193	31,193
6	542	542
7	10,715	10,715
8	2,419	2,419
9	12,400	1,574
10	1,063	572
Total, 10 claims.	81,661	64,157

The interval of 11 days which intervened between the Acts secured all but these yarns from the risk of double taxation. In explanation of the large proportion of the claims rejected to those received it should be stated that many Mill-owners were uncertain of the precise nature of the concession which Section 39 was intended to confer. They, therefore, sent in a statement of the weft yarns on hand when the new Act came into force. But in most cases such balances were clearly shown to have been produced after the repeal of the Act of 1894, and the claims were accordingly disallowed. Many Mills, aware that such balances had not paid duty, sent in no claims.

General Remarks.

Conclusion.

30. In concluding this report it seems desirable to bring to the notice of Government the assistance received from the Mill-owners' Association and also from individual mill-owners and managers in dealing with the numerous questions

which have arisen under the two Acts. It is evident that the smooth working of enactments of this nature must depend very largely on the spirit in which they are accepted by the persons concerned. That two systems of excise on mill produce to which the mill-owners were not only unaccustomed, but of which they in the first instance disapproved, and to which in the second they were strongly opposed, should have been introduced and carried on without friction or dispute is greatly to the credit of the mill-owners of this Presidency. It is difficult to conceive how the several questions disposed of during the year and explained in the course of this report would have been satisfactorily settled had the mill-owners and their subordinates adopted a less helpful attitude.

Of the new Inspectors, Mr. Engel has given great assistance in technical matters and has worked carefully and well. Mr. Carpenter gave satisfaction while doing duty as Inspector of Factories. Mr. Maganrai, who has already been brought to the notice of Government in connection with his work on the Bombay Gazetteer, has contrived to deal very thoroughly with the intricate duties of a new and at times very hard-worked office.

R. E. ENTHOVEN,
Assistant to the Collector of
Land Revenue, Customs and Opium.

Bombay, July 7th, 1896.

B 693—4

APPENDIX I (PART I).

Statement showing the Assessment for and Recovery in each month under the Cotton Duties Act of 1894 in the Town and Island of Bombay.

Recovered in the month of	For† January 1895.	For February.	For March.	For April.	For May.	For June.	For July.	For August.	For September.	For October.	For November.	For December.	For‡ January 1896.	Total Amount recovered in each month.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
January 1895 ..	....	....	....	....	....	....	....	....	....	....	....	....	....	....
February ,, ..	41,283 14 11	....	....	....	....	....	....	....	....	....	....	....	....	41,283 14 11
March ,, ..	13,712 6 2	22,705 1 2	....	....	....	....	....	....	....	....	....	....	....	36,417 7 4
April ,, ..	443 0 1	11,589 14 7	12,119 9 10	....	....	....	....	....	....	....	....	....	....	24,152 8 6
May ,, ..	....	....	23,271 8 1	26,305 14 7	....	....	....	....	....	....	....	....	....	49,577 6 8
June ,, ..	....	....	....	7,984 5 8	24,520 15 1	....	....	....	....	....	....	....	....	32,505 4 9
July ,, ..	....	105 1 6	....	....	13,472 8 6	29,369 7 1	....	....	....	....	....	....	....	42,947 1 1
August ,, ..	....	....	....	....	....	8,207 2 5	23,337 13 5	....	....	....	....	....	....	31,544 15 10
September ,, ..	....	....	....	....	....	....	10,427 5 10	18,581 15 11	....	....	....	....	....	29,009 5 9
October ,, ..	....	....	....	....	....	....	5,385 5 10	13,895 9 6	21,815 8 9	....	....	....	....	41,096 8 1
November ,, ..	....	....	....	....	....	....	....	2,096 4 6	12,558 13 3	13,979 15 0	....	....	....	28,635 0 9
December ,, ..	....	....	....	....	....	....	....	....	....	15,433 10 9	11,509 6 7	....	....	26,943 1 4
January 1896 ..	....	....	....	....	....	....	....	....	....	2,966 10 8	20,375 5 3	8,545 9 5	....	31,887 9 2
February ,, ..	....	....	....	....	....	....	....	....	....	....	....	17,681 10 6	13,305 14 9	30,987 9 3
March ending 17th..	....	....	....	....	....	....	....	....	....	....	....	4,845 6 5	7,459 2 1	12,304 8 6
Total ..	55,439 5 2	34,400 1 3	35,391 1 11	34,290 4 3	37,993 7 7	37,576 9 6	39,150 9 1	34,573 13 11	34,374 6 0	32,380 4 5	31,884 11 8	31,072 10 4	*20,765 0 10	*4,59,292 5 11

† Including 5 days of December 1894.

* This includes Rs. 5 of amendment fee.

‡ *i. e.*, from January 1st to 22nd.

APPENDIX 1 (PART II).

Statement showing the Assessment for and Recovery in each month under the Cotton Duties Act of 1894 in the District.

Recovered in the month of	For* January 1895.	For February.	For March.	For April.	For May.	For June.	For July.	For August.	For September.	For October.	For November.	For December.	For† January 1896.	Total amount recovered in each month.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
January 1895 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
February „ ...	1,187 15 9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,187 15 9
March „ ...	13,399 13 3	4,020 2 0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	17,419 15 3
April „ ...	3,484 12 7	1,338 11 2	2,088 9 11	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6,912 1 8
May „ ...	705 5 0	4,315 11 10	3,883 1 10	5,073 2 4	.....	.....	.....	.....	.....	.....	.....	.....	.....	14,477 5 0
June „ ...	95 11 11	2,955 4 5	6,435 11 2	59 1 9	4,716 8 5	.....	.....	.....	.....	.....	.....	.....	.....	14,262 5 8
July „ ...	944 7 9	1,644 10 0	2,358 2 5	10,801 11 4	13,247 11 5	14,585 4 5	.....	.....	.....	.....	.....	.....	.....	43,581 15 4
August „ ...	.....	66 12 7	.....	.....	.....	722 6 3	13,061 13 0	.....	.....	.....	.....	.....	.....	13,850 15 10
September „ ...	.....	.....	.....	.....	.....	.....	2,331 9 7	16,309 4 9	.....	.....	.....	.....	.....	18,640 14 4
October „ ...	.....	.....	.....	.....	.....	.....	.....	244 3 5	13,880 9 0	.....	.....	.....	.....	14,124 12 5
November „ ...	.....	.....	.....	.....	.....	.....	.....	.....	216 15 11	14,646 0 3	.....	.....	.....	14,863 0 2
December „ ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	15,318 6 9	.....	.....	15,318 6 9
January 1886 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0 0 1	15,208 10 7	.....	15,208 10 8
February „ ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	114 2 11	.....	787 14 9	1,340 5 9	2,242 7 5
March „ ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	137 4 9	57 4 0	9,849 4 5	10,043 13 2
May and June 1896.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,051 15 0	1,051 15 0
Total ...	19,818 2 3	14,841 4 0	14,765 9 4	15,933 15 5	17,964 3 10	15,307 10 8	15,393 6 7	16,553 8 2	14,097 8 11	14,760 3 2	15,455 11 7	16,053 13 4	12,241 9 2	2,03,186 10 5

* Including 5 days of December 1894.

† *i. e.*, from January 1st to 22nd.

APPENDIX II.

Statement showing Receipts of Duty and Drawback Allowed during each month under the Cotton Duties Act of 1894.

Months.	Receipts.	Drawbacks.		Net Revenue.
		Drawback.	Refunds.	
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
January 1895	.....	.....	...	.....
February „	42,471 14 8	41 4 0	...	42,430 10 8
March „	53,837 6 7	414 14 9	9 12 0	53,412 11 10
Total ...	96,309 5 3	456 2 9	9 12 0	95,843 6 6
April 1895	31,064 10 2	2,042 2 5	...	29,022 7 9
May „	64,054 11 8	2,765 1 9	...	61,289 9 11
June „	46,767 10 5	1,020 4 10	...	45,747 5 7
July „	86,529 0 5	3,098 11 6	141 1 6	83,289 3 5
August „	45,395 15 8	2,026 13 0	261 4 0	43,107 14 8
September „	47,650 4 1	3,028 13 5	206 4 0	44,415 2 2
October „	55,221 4 6	453 3 4	...	54,768 1 8
November „	43,498 0 11	3,547 0 4	...	39,951 0 7
December „	42,261 8 1	2,688 2 3	...	39,573 5 10
January 1896	47,096 3 10	3,424 11 11	8 8 8	43,662 15 3
February „	33,228 0 8	3,986 5 2	...	29,241 11 6
March „	22,345 5 8	1,801 0 4	52 8 8	20,491 12 8
Total ...	5,65,112 12 1	29,882 6 3	669 10 10	5,34,560 11 0

APPENDIX III.

Statement showing quantity of Yarn produced in the Mills in the Bombay Presidency, the portion exempted for export, and the balance assessed to duty, under the Cotton Duties Act of 1894.

1894-95.

Counts.	Amount produced.	Amount exempted.	Balance on which duty was levied.
	Lbs. oz.	Lbs. oz.	Lbs. oz.
21...	1,097,532 8	292,410 0	805,122 8
22...	1,173,213 12	12,689 13	1,160,523 15
23...	10,879 0	.....	10,879 0
24...	1,512,068 0	305,083 8	1,206,984 8
25...	17,358 8	.....	17,358 8
26...	499,447 8	3,152 0	496,295 8
27...	24,864 0	.....	24,864 0
28...	179,073 8	2,122 10	176,950 14
29...	17,443 8	.....	17,443 8
30...	666,162 4	28,080 4	638,082 0
2/30...	11,200 4	.....	11,200 4
31...	15,719 0	.....	15,719 0
32...	192,380 0	.....	192,380 0
33...	17,201 0	.....	17,201 0
34...	51,174 4	1,129 4	50,045 0
36...	17,616 0	1,993 12	15,622 4
40...	133,904 0	.....	133,904 0
2/40...	170 0	.....	170 0
42...	23,120 0	.....	23,120 0
44...	16,317 0	.....	16,317 0
50...	1,540 0	.....	1,540 0
60...	6,573 0	.....	6,573 0
80...	46 0	.....	46 0
	5,685,003 0	646,661 3	5,038,341 13

APPENDIX III—*continued.*

1895-96.

Counts.	Amount produced.		Amount exempted.		Balance on which duty was levied.	
	Lbs.	oz.	Lbs.	oz.	Lbs.	oz.
21	8,613,141	13	7,251,900	0	1,361,241	13
22	5,833,329	10	53,893	8	5,779,436	2
2/22	400	0	.....		400	0
23	292,256	12	.....		292,256	12
24	8,363,178	11	1,412,325	8	6,950,853	3
2/24	44,840	0	.....		44,840	0
25	529,308	0	.....		529,308	0
26	3,188,204	13	14,878	0	3,173,326	13
2/26	4,540	0	.....		4,540	0
27	347,991	7	.....		347,991	7
28	2,081,216	14	49,742	4	2,031,474	10
2/28	14,597	0	.....		14,597	0
29	86,366	0	.....		86,366	0
30	4,040,225	5	94,266	0	3,945,959	5
2/30	140,414	4	6,800	0	133,614	4
31	540,045	4	.....		540,045	4
32	1,047,021	8	3,712	12	1,043,308	12
2/32	14,953	0	.....		14,953	0
33	120,296	0	.....		120,296	0
34	485,752	8	323	0	485,429	8
2/34	49,622	12	.....		49,622	12
35	8,108	0	.....		8,108	0
36	512,352	0	356	4	511,995	12
2/36	12,730	0	.....		12,730	0
37	596	0	.....		596	0
38	10,252	0	.....		10,252	0
40	606,464	12	.....		606,464	12
2/40	76,165	0	.....		76,165	0
41	8,392	0	.....		8,392	0
2/41	1,220	0	.....		1,220	0
42	80,168	0	.....		80,168	0
44	69,258	0	.....		69,258	0
45	27,689	0	.....		27,689	0
46	237	0	.....		237	0
47	9,628	0	.....		9,628	0
50	44,158	0	.....		44,158	0
2/50	1,637	0	.....		1,637	0
52	4,171	0	.....		4,171	0
60	14,333	4	.....		14,333	4
2/60	41	0	.....		41	0
62	329	0	.....		329	0
66	60	0	.....		60	0
70	30,480	12	.....		30,480	12
72	3,298	0	.....		3,298	0
	37,359,419	5	8,888,197	4	28,471,222	1

APPENDIX IV.

Statement showing non-dutiable Yarn produced in the Mills of Bombay Presidency from 27th December 1894 up to 31st March 1896.

		Lbs.
27th December 1894 to 31st January 1895	...	25,652,764
February 1895	...	20,006,645
March 1895	...	21,966,279
Total	...	67,625,688
April 1895	...	23,033,515
May „	...	25,929,649
June „	...	24,562,551
July „	...	23,613,878
August „	...	25,431,842
September „	...	23,453,952
October „	...	23,532,104
November „	...	22,982,332
December „	...	22,737,162
January 1896	...	22,409,729
February „	...	22,313,539
March „	...	23,025,026
Total	...	283,025,279

APPENDIX V

Results of tests of yarns spun in the Bombay Mills.

Nominal count of yarn.	Actual count as ascertained by test.	Nominal count of yarn.	Actual count as ascertained by test.	Nominal count of yarn.	Actual count as ascertained by test.	Nominal count of yarn.	Actual count as ascertained by test.	Nominal count of yarn.	Actual count as ascertained by test.	Nominal count of yarn.	Actual count as ascertained by test.
20	17.	24	25·3	20	16·94	20	19·6	20	18·8	20	19·8
20	20·	20	17·6	20	19·23	20	18·5	20	16·3	20	16·9
26	23·	20	19·6	20	20·8	20	18·5	20	16·1	20	19·6
6	5·2	20	19·4	20	16·39	16	14·8	20	18·5	20½	18·6
10	9·3	20	19·6	20½	20·2	20	20·	20	16·6	20	19·2
20	18·6	20	17·54	20	18·3	20	16·6	20	20·	20	17·8
20	19·4	20	18·4	20	20·2	20	16·3	16	15·1	20	17·2
20	20·	20	18·	20	17·24	20	20·2	20	19·4	20	17·8
20	19·	20	18·5	20	19·6	20	18·5	20	19·	20	19·6
20	16·8	20	20·4	20	16·5	20	19·2	6	5·	20	19·8
20	19·6	20	17·24	20	18·5	8	8·6	20	19·6	20	18·8
20	19·23	20	19·23	20½	20·4	20	18·1	20	20·	20	19·2
20	19·23	20	18·86	20	20·	20	20·	20	18·1	8	7·
20	18·51	20	20·4	20	20·4	20½	17·5	20	19·2	20	20·4
20	19·8	20	18·86	20	17·6	20	15·6	20	20·	20	20·4
20	20·	20	19·8	20½	18·18	20	20·2	20	18·7	20	20·
20	21·73	20	19·	16	14·92	20	19·6	20	18·5	20	19·6
20	18·86	20	19·23	20	17·6	20	19·8	20	19·6	16	14·2
20	18·34	20	19·23	16	16·2	20	18·5	20	17·8	20	18·5
20	18·51	20½	17·85	20	20·	20	19·2	20	18·8	20	19·2
20	18·	20	19·23	20	18·5	16	14·3	20	19·6	16	14·9
20	18·86	20	18·18	16	16·6	20	18·6	20	17·5	20	19·6
20	20·4	20	16·39	20	17·5	20	18·9	20	18·1	20	18·8
20	18·86	20	19·8	20	19·2	10	9·2	20	18·8	20	20·
20	18·	20	20·2	20	16·3	20	18·2	20	15·6	20	18 8
20	21·27	20	18·51	20	18·8	16	14·9	20	19·2	20	19·2
20	17·85	20	20·6	20	17·8	20	18·8	20	19·4	20	18·1
26	25·63	20	18·86	20	17·6	20	20·4	20	17·8	20	19·2
20	18·86	20	18·51	20	18·8	20	19·4	16	17·2	16	13·3
20	19·6	20	18·51	20	18·6	20	15·8	20	16·6	20½	18·8
20	19·4	20	18·86	20	17·9	20	19·6	20	18·7	20	18·1
20	20·4	20	19·	20	19·4	20	18·8	20	18·8	20	20·8

APPENDIX VI.

Statement of Dutiable Cotton Goods produced under the Cotton Duties Act II of 1896 in the Weaving Mills of the Bombay Presidency and Duty realized during the months of February and March 1896.

Description of Goods.	Quantity produced in February.		Quantity produced in March.		Amount received.
	Lbs. oz.	Yds.	Lbs. ozs.	Yds.	Rs. a. p.
Chádars	134,182 0	418,221	257,685 12	703,094	.....
Dhutis	452,341 10	1,998,949	894,592 6	3,882,828	.....
Drills and Jeans... ...	50,428 6	195,071	75,706 14	265,933	.....
Jaconets	.....	...	8 8	44	.....
Madapollams	34,840 8	133,649	58,389 4	274,911	.....
Printers	7,702 14	35,513	46,537 10	202,059	.....
Sail Cloth	.....	...	16,173 0	40,014	.....
Shirtings and Long cloths.	965,832 12	3,385,390	1,849,490 15	6,689,370	0 2 6
T. Cloths, Domestics and Sheetings	489,414 2	2,147,958	1,252,456 9	5,465,703	21 10 4
Table Cloths	3,950 0	6,660	.....	...	.....
Tent Cloth	.....	...	23,522 0	42,391	.....
Towels and Napkins ...	6,159 1	17,693	24,673 2	58,974	.....
Khádi and Dungari ...	4 8	10	13,096 8	70,245	.....
Zanzibar Cloth	255 0	960	10,148 0	41,590	.....
Fents	3,444 5	15,498	15,583 4	70,123	.....
Total ...	2,148,555 2	8,365,572	4,538,063 12	17,807,279	21 12 10
Fancy Goods	2,54,513 3	...	566,612 15	...	174 4 7
Hosiery (in dozens) ...	300	...	954	...	.....
Do. (in lbs.) ...	1,531 0	...	5,200 3	...	.....
Goods of other descriptions	565 14	...	1,698 14	...	.....

Note.—This statement does not include cotton goods exempted under Section 41 of Act II of 1896.

R. E. ENTHOVEN,
Assistant to the Collector of Customs.

Cotton Duties: Report on the working of the Indian Cotton Duties Act in the Bombay Presidency for the year 1895-96.

No. 7437.

REVENUE DEPARTMENT.

Bombay Castle, 22nd September 1896.

Memorandum from the Commissioner of Customs, Salt, Opium and A'bkári, No. 3967, dated 25th August 1896—Submitting a letter No. 1302-Ex., dated 21st idem, from the Collector of Land Revenue, Customs and Opium, Bombay, who submits the First Annual Report on the working of the Indian Cotton Duties Act in the Bombay Presidency for the year 1895-96, including the period between 27th December 1894 and 31st March 1895, prepared by Mr. Enthoven, Assistant to the Collector of Land Revenue, Customs and Opium.

RESOLUTION.—During the greater part of the period—27th December 1894 to 31st March 1896—covered by this report the cotton excise duty was levied under Act XVII of 1894 upon yarn only, at the rate of five per cent. Of the 96 cotton mills in the Presidency, 65 paid this duty to the total amount of Rs. 6,61,422-1-4, the produce of the other 31 being free of duty either as under 20*s* count, or as exported to various foreign ports in Asia and Africa. The total production returned under Act XVII of 1894 was 393,695,389 lbs. of yarn, of which 43,044,422 lbs., or 11 per cent., consisted of yarn over 20*s* count and therefore dutiable. Of this dutiable quantity, 9,534,857·65 lbs. were allowed free export under Section 17 of the Act, 8,818,022·5 in the form of bundled yarn and 716,835·15 in the form of cloth: and further drawback was paid under Section 19 on 1,289,650½ lbs. of yarn exported to foreign countries, 944,605½ lbs. being in the form of grey yarn, and 345,045 lbs. in the form of dyed yarn. Drawback was also allowed on 414,183½ yards in the form of cloth.

2. Owing to the conditions of manufacture in Bombay, the determination of the exact count of yarn contained in cloth is a matter of great difficulty the seriousness of which was experienced in dealing with claims for drawback of duty upon exported yarns. This was to a great extent obviated by adopting a system of average formulæ. Mr. Enthoven, however, has shown good grounds for believing that had the Act of 1894 remained in force the drawback system must eventually have broken down. In paragraph 13 of his report Mr. Enthoven has recorded some interesting observations, which seem to show that a system of excise, under which a five per cent. duty is imposed upon yarns above 20*s*, is certain to produce unsatisfactory results.

3. From 3rd February 1896 the excise duty has been levied under Act II of 1896 on cotton goods, yarn being exempt. Forty-eight weaving mills and three hosiery factories now come under the operation of the new Act. But it appears that, owing to the delay inseparable from the introduction of new forms of returns, no duty was actually collected under the Act before the end of the financial year. Free export however was claimed and allowed in 142 cases under Section 19. The estimated increase in revenue under the new Act is Rs. 5,00,000, which will fall chiefly upon the 17 mills which use all their high-count yarn in weaving, the tax on cloth, in the case of those mills which both weave and sell bundled yarn, being wholly or partly balanced by the exemption of bundled yarn.

4. The exemption from duty under Section 41 of the large stocks of cloth held by some mills, at the date on which the Act came into force, has greatly increased the work of the Department. But it is satisfactory to learn that in most cases these stocks will be exhausted within 12 months of the date of introduction of the Act. Ten claims were made under Section 39, and were allowed in respect of about two-thirds of the quantity on which drawback was claimed.

5. The question referred to in paragraph 22 of the report regarding the assimilation of the system of taxation in the three mills established in Native States, to the British Indian system, and the existence of unfair competition between the productions of the Native State and British Indian mills, is still under consideration.

6. The Collector's proposals for the revision of the tariff, referred to in paragraph 24 of the report, will be awaited.

7. Government cordially acknowledge the readiness with which the Mill-owners' Association, as well as individual mill-owners and managers, have rendered their aid in working out the many difficult questions that have arisen under the two Acts, and concur with the Commissioner, and the Collector, in thinking that the smooth working of the Department has been in no small degree due to the tact and judgment of Mr. Enthoven, and to the industry of the staff subordinate to him.

G. S. CURTIS,
Under Secretary to Government.

To

The Commissioner of Customs, Salt, Opium and A'bkári,
The Collector of Land Revenue, Customs and Opium, Bombay,
The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
The Collectors of Ahmedabad, Kaira, Surat, Broach, Thána, Sholápur, Poona, Khándesh, Belgaum and Dhárwár,
The Political Department of the Secretariat,
The General Department of the Secretariat,
The Accountant General.
} With copies of the Report.

The Editors' Table, Bombay,
The Editors' Table, Poona, *care of* the City Magistrate, Poona,
The Secretary to the Belgaum Municipality.

The Government of India,
The Secretary of State for India,
The Mill-owners' Association, Bombay.
} By letter.

No. of 1896.

Copy forwarded for information and guidance to

INDIAN COTTON DUTIES.

REPORT FOR THE YEAR 1896-97.

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From

The COLLECTOR of LAND REVENUE,
CUSTOMS and OPIUM,
Bombay;

To

The COMMISSIONER of CUSTOMS, SALT,
OPIUM and A'BKA'RI.

Bombay Custom House:
26th July 1897.

Sir,

I have the honour to submit herewith the Annual Report on the working of the Indian Cotton Duties Act in the Bombay Presidency for the year 1896-97.

2. The report is carefully written, but it is difficult to estimate the results shown as the statistical tables differ in form from those of the preceding year, and the preceding year's report dealt mainly with the Act of 1894. Moreover, the report for the current year relates to a year which (it may be hoped) is phenomenal.

3. The effect of the plague and scarcity will, however, affect the year 1897-98 not only with respect to figures relating to the period after April 1897, but also as to duty received and drawbacks allowed for the beginning of the year, which will come into account after March.

4. It may, I think, be inferred from the report that the mill industry of Bombay has come through the ordeal of the plague satisfactorily. In revenue there is a loss of about 14 per cent. On the whole I think credit is due to those who have pilotted the industry.

5. The difficulties in working the Act seem to have been grappled with, and those that remain present no insuperable difficulties.

6. The danger which seems of most account is in the competition of mills in Native States; at present this danger does not seem very urgent, and it may suffice to locally watch the extent to which such mills are ousting those in British territory in the area for which the latter should be the source of supply. At present mills in Bombay monopolise the foreign export trade from India.

7. It is particularly satisfactory to note that owing to the stocks held, the demand for foreign consumption has been adequately met and no loss of foreign custom may be expected.

8. It is hoped that the fact that stocks have been depleted to so large an extent will add an impetus to Bombay mill industry in the present year.

I have the honour to be,
Sir,
Your most obedient Servant,
R. M. KENNEDY,
Collector of Land Revenue, Customs and Opium.

REPORT ON THE WORKING OF THE INDIAN COTTON DUTIES ACT IN THE BOMBAY PRESIDENCY FOR THE YEAR 1896-97.

I.—ADMINISTRATON AND CONTROL.

Collector and Assistant.

The administration throughout the Presidency of the Cotton Duties Act of 1896 was entrusted by Government Resolution No. 3114 of 15th April 1896 to the Collector of Bombay. Mr. Campbell held this office upto the 29th May and Dr. Pollen for the rest of the year. Under the Collector Mr. Enthoven continued for most of the year in immediate charge of the Factory Excise Office. Mr. Jackson undertook the duties during Mr. Enthoven's absence on privilege leave from 22nd September to 15th October and again on his transfer on 9th December 1896. Mr. McNeill assumed the charge on Christmas Eve and banded it over to the undersigned on the 6th February.

Inspectors.

2. On the 1st April 1896 Messrs. Engel and Carpenter were the First and Second Inspectors for the Town and Island of Bombay under the Cotton Duties and Factories Acts. It had already however been found that Mr. Carpenter, who had given satisfaction under the first Cotton Duties Act of 1894, was not thoroughly qualified to assist in the assessment of cloth under the new Act of 1896. His services in the Excise and Factory Departments were accordingly dispensed with on the 23rd April and those of Mr. Frederick McCormack substituted. The latter officer was temporarily employed in Bombay until he should familiarize himself with his duties, while Mr. Engel was despatched to Ahmedabad to dispose of arrears of Gujarát returns awaiting check and to bring the mills of that province into line with those of the Presidency Town. Having accomplished this duty Mr. Engel was re-called to his regular appointment in Bombay on 31st October 1896 and Mr. McCormack despatched to carry on the work in Ahmedabad. For the rest of the Presidency Mr. Shore was the Inspector throughout the year.

Establishment.

3. The introduction of the new Act, with its more elaborate form of assessment and centralization of control in Bombay, was found to necessitate the increase of the permanent Head-quarter establishment and the provision of a separate office for the Inspector at Ahmedabad, at an aggregate cost of Rs. 936 per annum. To deal with stocks exempted under Section 41 of the new Act, and to cope with the general difficulties of introducing the new arrangements, a further temporary establishment was entertained at a monthly charge of Rs. 100. The total working expenses of the Act remained within 3 per cent. of the net revenue recovered. It may not be out of place to add that shortly after the close of the year it has been found possible to dispense with two out of the three temporary clerkships.

Inspections.

4. Inspections were made three times a month throughout the year in Bombay and—after the deputation of an Inspector to Gujarát—in Ahmedabad; in other Gujarát mills monthly, and in the rest of the Presidency as often as the Inspector's other duties would permit. Mr. Shore actually made two inspections at Jalgaon, three at Poona and two at Sholápur.

Nature of control.

5. In February 1896 specimen forms were issued for the registers described in Rules 14 and 15, and for a third register recommended as a means of readily writing up the monthly return in Form A. An inspection consists in checking these registers against each other, against a few of the goods on the premises, and against some of the gate-passes, which are invariably sent with goods from the godown to the gate-office and there filed, and without which no goods can pass out. Against these registers are also checked about one in ten of the export applications, and of the A returns one in three in Bombay and all in Gujarát. So long as the registers answered their purpose they were not required to conform exactly to the specimens, and on his deputation to Ahmedabad Mr. Engel found certain modifications required by the practice there prevalent of making up goods in "kutcha" bales destined to be broken and repacked under

new numbers in such quantities and combinations as individual buyers might demand. The Gujarát mills seem to deal more directly with small traders, while in Bombay the goods are mainly taken wholesale by a class of middlemen who themselves break and rebale them with hand-presses for the retail dealers. This difference of practice also made it necessary to assess mofussil returns on actual weights, whereas most of the Bombay mills are allowed to return nominal weights.

II.—Mills and Production.

6. The cotton mills in the Presidency numbered 97 at the beginning of the year and 101 at its close, the Hope Mill having been rebuilt and 3 new mills opened at Ahmedabad. Of the latter number 49 (to which must be added three hosiery factories) are subject to the Act. Their distribution is shown below:—

Situation.	Number of Weaving Mills.	Inspected by
Bombay Island	31	Bombay Inspector.
Kurla	2	
Ahmedabad	12	Gujarát Inspector.
Viramgám	1	
Broach	2	
Surat	1	
Jalgaon	1	Presidency Inspector of Factories.
Poona	1	
Sholápur	1	
Total ...	52	

The yarn manufactured by the 101 mills which spin is shewn by counts in Appendix I, and the textile produce of the 49 which weave as well as spin and of the three hosiery factories, by sorts in Appendix II and by months in Appendix III.

Low production.

7. Though trade was slack throughout the year, the production from the commencement of the new Act until the end of September must, in the absence of statistics for previous months and years, be treated as normal. A calculation based on the figures of Appendix III, increased by the approximate issues of free stock (the weights of which are not returned and have to be estimated), gives a tentative average production for the open season of 68 lákhs of pounds, and for the two wet months of July and August, of 63 lákhs. The production of Bombay being about three times that of the mofusil, these averages may be divided into 17 and 51 and 16 and 47 respectively.

8. To apply these averages to the second half of the year under report. The bulk of the free stock was disposed of in February, March and April. By October its ever-diminishing issues had probably fallen within 4 lákhs a month, and by December within 3. Thus the true production of the three months October, November and December seems to have been about 64, 64 any 65 lákhs respectively, instead of averaging 68, as by hypothesis it should have done. This attempt to trace the deepening depression of 1896 is admittedly conjectural, but the figures for the first quarter of 1897 tell their own tale; and whatever may have been the true defect from the average in the last quarter of 1896, it may unfortunately be treated as insignificant in estimating the havoc wrought by the plague from January onwards. The mofussil, with the insignificant exception of Poona, was unaffected by the plague, and its production of cloth from January to March may be assumed for the present purpose as normal, that is to say at about 17 lákhs a month. By deducting this from 43 lákhs (the Presidency average, allowing for free stock, from January to March), we find the average output of Bombay for those three months to have been 26 lákhs as against the normal average of 51.

Its causes.

9. In the absence of monthly data for previous years, the incidence of famine on the twelve months' outturn cannot be separately traced with any cer-

tainty. It may, however, be accepted as a general fact that before October trade was dull and prices low. This state of things, being likely to continue for many months, probably to some degree affected production in its ordinary sense of manufacture, and must have affected it in its legal sense of issue from the mills. But this depression, though longer-lasting and more widely distributed, was infinitely less acute than that occasioned by the plague. The emigration of the smaller traders of Bombay, which culminated in something like a *sauve qui pent*, is matter of common knowledge. By the new year five mills had locked up their weaving-sheds for want of buyers, and others followed suit in January. The Yarn-market, however, resting on a broader demand and upheld by more substantial firms than that of cloth, held comparatively steady; and the mills would probably have spun firmly on throughout the troubles had not the general run of their hands in the course of January followed the prevailing panic. Many left before they could draw their wages for December (not due according to the universal system of payment until the end of January); many more drew their December's wages and then fled, sacrificing those of January. Several mills—notably some of those which are worked by their owners and not by the Agents of Limited Companies—closed their gates altogether, while the remainder competed—one is tempted to say blindly—for the services of a remnant of workmen composed largely of unskilled and ne'er-do-weel youths. These casuals almost universally demanded payment by the day at rates rising to double what a man could formerly earn by piece-work. Each of them went to work as seldom as it suited him, in whatever mill the fancy took him that day to choose, and therein did as much work as seemed to him sufficient. Early in March such of the mills as were not closed were running as best they could with an average of hands within a third of their complement, and many of those unskilled. The yarn spun was as bad as it was scanty. Unfortunately the steadiest class of men was the weavers, for whose services there was the least demand.

10. In the face of these facts the total of yarn spun during the year (Appendix I) does not compare so ill with the 320 millions of pounds spun in 1895-96. No doubt the war between Japan and China kept down the figures for that year, though here again the lack of previous statistics deprives us of a standard wherewith to accurately measure either year. It is to be remembered that the yarn-statements—unlike those of cloth—represent the actual manufactures, not the issues, of the months to which they relate.

Prospects.

11. The stocks held by the mills before their labour-troubles began—no doubt unusually large by reason of the depression already existing—seem to have almost sufficed to meet the demand for yarn during the period of their enforced idleness. These stocks must, however, have been reinforced by a certain amount of yarn originally destined for the weaving-shed, for now that the fast-reviving cloth-market has joined its demand to that of the buyers of yarn, many a loom is still idle for want, not of workmen, but of material; and some anxiety is expressed lest stocks of cloth may not hold out long enough for arrears of spinning to be meanwhile overtaken. Had not the bulk of the mill-hands been starved back to work before April was over, the position would have been more serious than it is. As things are, though the hands have come and have at last been reduced to something like regularity and descipline, the practical difficulties of managers are still great. Most of the men have changed their masters more than once; their officers do not know them, nor they their machines; machines have suffered, and work is at sixes at sevens, one department waiting for material from another. It will be months yet before any mill can put forth its full productive power.

III.—Revenue and its Collection.

12. The net revenue from Bombay and the Mofussil was in the first instance estimated at Rs. 6,28,070 and 1,86,200 respectively or Rs. 8,14,270 in all. The revised estimate, prepared in September, was Rs. 8,73,000. Both estimates fell within the mark. The net revenue actually raised amounted to Rs. 8,89,672, of which Rs. 6,01,963 were contributed by Bombay and 2,87,708

by the Mofussil. The gross and net revenue is shown by months in Appendix IV.

Low by depression.

13. The excess from up-country of no less than a lákh over the first estimate challenges inquiry; and it is interesting to review that estimate in the light of subsequent facts. In the absence of exact data, the gross production was estimated from the number of looms, the standard outturn of a loom being valued at Rs. 100 a month. From the duty at 3½ per cent. on the value so estimated of the gross production was deducted the duty likely to be exempted on the value—*first*, of half the free stocks (for it was not known how much more than half might be issued), and *secondly*, of the probable exports; the value in each case being set down at Rs. 200 per bale. It has been found, *first*, that the number of looms in the mofusil was under-stated; *secondly*, that the outturn of a loom, according to the monthly production of 68 lákhs of pounds arrived at in paragraph 7, was worth Rs. 110 a month; *thirdly*, that the issues of stock considerably exceeded a half; *fourthly*, that on the other hand the value of a bale in Bombay averaged little more than Rs. 150, and in Gujarát owing to their smaller size (a fact not then known), barely Rs. 100; and lastly, that the exports amounted to more than half as much again as had been expected. These estimates are worked out below, side by side with those of February 1896:—

Bombay.

Estimate.	Rs.	*Retrospective Estimate.*	Rs.
Production— 20,835 (looms) × 100 (Rs.) × 12 (months) @ 3½ per cent.	=8,75,070	Productions— 20,835 (looms) ×110 (Rs.)× 12 (months) @ 3½ per cent...	=9,62,577
Deduct (1) stock, *i.e.* half of— 29,135 (bales) ×200 (Rs.) @ 3½ per cent., say ...	=1,00,000	*Deduct* (1) stock— 73,80,000 (lbs.) ÷ 73 ...	=1,01,095
(2) Exports— 21,000 (bales) ×200 (Rs.) @ 3½ per cent.	=1,47,000	(2) Exports— 1,03,60,000 (lbs.) ÷62 ...	=1,67,097
Net Revenue ...	6,28,070	Net Revenue ...	6,94,385

Mofussil.

Production— 6,457 (looms) × 100 (Rs.) × 12 (months) @ 3½ per cent.	=2,71,200	Production— 7,053 (looms) ×110 (Rs.) × 12 (months) @ 3½ per cent....	3,25,850
Deduct for stocks half of— 24,685 (bales) ×200 (Rs.) @ 3½ per cent. say	= 85,000	*Deduct for stocks*— 45,40,000 (lbs.) ÷73	=62,191
Net Revenue ...	1,86,200	Net Revenue ...	2,63,659

14. The quotient 62, it should be explained, represents the estimated ratio of pounds of production to rupees of duty leviable thereon at the old tariff, while 73 to 1 is the actual ratio of all goods (excepting stock but including exports) to duty recovered. In the "retrospective estimate," the deductions are based upon actuals, while the estimate of production rests upon the assumption of 68 lákhs as a normal monthly production (see para. 7). The figures thus worked out, approaching as they do the actual net mofussil revenue of 2,87,708, confirm this assumption and the standard value derived therefrom of Rs. 110 per loom per month. It would thus seem that the result obtained

by applying this standard to Bombay production is approximately correct, and if anything too low; so that the difference between this result and the actual revenue, or say Rs. 92,000, is an inside estimate of the loss of revenue which is to be attributed to depression and panic.

15. Whatever may be the correctness of this conclusion, one point is certain. The loss of revenue due to famine and plague alike is to be felt mainly in the current, not the late, financial year. The rural consumers now in distress cannot begin to feel relief until after the rains, nor can the cloth market fully recover before a good season is assured. Meanwhile, as above explained, some difficulty may be met with in supplying what demand there is. But without looking forward it is enough to mention that the opening months of this year show a deficiency already of about a lákh of rupees, representing the short production of February, March and April.

Mode of payment.

16. Under the new Act, the assessments for the whole Presidency are made in Bombay, but mills have been left to choose their own channels of payment. Mofussil mills have mostly preferred to pay in cash into the nearest Treasury or Sub-Treasury. Of the Rs. 2,88,448-7-0 of mofussil receipts, Rs. 2,36,221-5-2 were collected in this way, the remainder being paid into the Custom-House through Bomby agents or banks.

Tariffs.

17. The original tariff framed under the Act of 1896 remained the basis of assessment for a year from its introduction. The experience gained up to November enabled proposals to be submitted for a more comprehensive tariff, embodying improvements in classification and fixing values for some 20 classes of goods which had at first been left to be assessed *ad valorem*. For the cheapest and largest classes of goods, both those which were included in the original tariff at 7 annas a pound and those which it was desired to add in the new tariff at the same value, alternative proposals were made. The market was already very dull, and the prices then being actually realized for these goods admittedly fell considerably short of 7 annas, which was estimated as a fair permanent average. A rate of $6\frac{3}{4}$ annas would probably have satisfied the millowners, but the introduction of pice into the calculation of assessments was deprecated. Government were accordingly invited to choose between a permanent valuation of 7 annas and a temporary rate of $6\frac{1}{2}$, subject to revision on the revival of trade. The Government of India decided in favour of $6\frac{1}{2}$ annas, at which value accordingly the bulk of the cloth produced is now assessed. The revised tariff was introduced with effect from the 13th February 1897, the mills being required to submit double statements of the production of that month (the first at the old and the second at the new rates). It has given general satisfaction, and by reducing as it does all but five classes of goods to fixed values has simplified the duties of Inspectors. It has been briefly described here as an important event of the year, but not as a factor influencing the year's revenue, for no duty was collected at the new rates until April. On all dutiable goods, whatever their valuation and whether exempted on export or taxed, the average incidence of the new tariff is calculated at 2·493 pies per pound against 2·63, the actual incidence of the old.

The work of collection.

18. Appendix No. V exhibits, for Bombay and the mofussil separately, the progress of collections from month to month. The meaning of these diagrams being historical rather than statistical, their figures have no correspondence with those of Appendix IV. Their constant or known quantity, so to speak, is the series of demands on the productions of 12 consecutive months—the first twelve months of the new Act. The collections on account of these twelve months were made chiefly, but not entirely, during the financial year 1896-97. On the other hand, the revenue actually collected in the financial year includes other moneys besides the collections made upon these twelve demands, and has been fully shown in Appendix IV. What these tables show is not the revenue raised during the year under report, still less the demands made during that year: they are intended to present a skeleton history of the work done by the department during that year. As far as revenue collection is concerned, the work of the financial year consists roughly speaking in formulating and realizing the demands on the productions of the 12 months February to January. In order to complete the outline by showing how much of this work had been overtaken before its period may be said to have begun, and how much stood

unfinished at its close, the list of months in the left hand column has not been confined to those of the financial year, but has been extended above and below so as to include the entire collections made on the productions of the constant twelve months at the top. Finally, in order to fill in this outline by representing, besides the process of collection, the progress made in the preliminary labour of formulating the demand, the columns have been doubled so as to show for each month, side by side with the amount of revenue realized, the number of assessment-memos issued.

19. These diagrams may seem at first sight to need more explanation than they are worth, but they illustrate several points which require notice. The provisions of the new Act came upon the mills somewhat suddenly, and in many cases were very imperfectly understood. Their attention and that of this office were in the first instance concentrated on the provisions for the exemption of duty-paid yarns—a matter in which some confusion was inevitable and delay was particularly to be avoided. The preparation on the one side, and scrutiny on the other, of the stock-lists required by section 41, was a work of much tedious labour, and it is not surprising that it interfered with the proper submission and scrutiny of the first two or three of the regular monthly returns. These returns when submitted were often incorrect in form as well as in contents. Many of them had to be returned for resubmission and all of them demanded careful check. The mofussil returns, owing to comparative laxity of management and inferiority of clerical staff, were particularly troublesome, and since the Collector of Bombay was not empowered to deal with them at all until the middle of April, they had to await the completion of the arrangements described in paragraph 3, which had thus become a matter of urgency before they were carried out. Though the revenue did not ultimately suffer, its collection was not fully overtaken until October, and in the meantime other work—notably the treatment of exports—was equally obstructed. Before the end of the calendar year, however, the department was working with a smoothness and regularity which seem to have left nothing to be desired.

20. When it is stated that from October onwards the duty was collected with promptitude, the term must be understood with the reservation which follows from rules 2 and 3. As the block of work cleared and it began to be sometimes possible to deal with a return immediately on punctual submission, such a procedure revealed a practical disadvantage. If a return were assessed say on the 5th of the month, large quantities of goods produced during the latter half of the previous month and exported within a few days would be debarred from exemption and treated under the more cumbrous drawback procedure. It was felt that all goods produced in a given month expressly for export and carried straight from the mill gates to the docks, or at least exported without intervening transactions, were entitled to exemption; yet an exporting mill's only means of securing their exemption was to delay the submission of its returns. It was therefore resolved at the end of April to assess no return until the 27th of the month following that to which it related. The returns were to be submitted as before in the first week of the month; the stock-return was to be checked with the stock-list, and the dutiable (in a proportion of cases) with the mill-books, but assessment was to await certificates until the 27th. This undertaking was the complement on the Collector's part of the obligation imposed on the mills by rule 2 to submit their certificates within 20 days after the date on which the return was due, that is to say, at the latest the 7th. Thus the second month after production is the period during which the bulk of the producing month's revenue falls due. This procedure has worked well. The collection of duty has been but slightly retarded, all exporting mills have received equal treatment, almost all goods produced expressly for export obtain exemption, and drawbacks are minimized to the convenience of all parties.

Coercive measures.

21. Duty, once assessed, was for the most part, and during most of the year, collected without difficulty. Notices under section 9 were not usually issued until a week or ten days after assessment, and in most cases were promptly met. In two instances, however, it was found necessary to impose a fine of Rs. 50. The first was levied in August from a substantial company which without apparent reason neglected the notice served upon it; the second with reluc-

tance, after repeated concessions of time, in February, from the owners of a small private concern which the plague had closed. This mill is still closed and its owners narrowly escaped a second fine on account of the duty for December.

22. In order to make sure of realizing within the year the full revised estimate, notices were issued with greater promptitude than previously for the duty for December and January. No less than 46 of the 108 notices of the year were issued in February and March. The assessments for January were also completed with special despatch. This is why the last columns of Appendix V do not more clearly reflect the disorganization produced by the plague in the offices of mills and their agents. But the comparatively low outstandings for January in the Bombay table are entirely due to this cause, for the special efforts made to realize that month's revenue before the end of March would under ordinary circumstances have succeeded. The small outstanding for December in the Bombay table was overdue (like the Rs. 133 at the foot of the September column) from the private mill already mentioned, and that for November stood unpaid owing to correspondence arising out of a discrepancy in one mill's returns. In the mofussil table, the outstandings for December and January were mainly due to the difficulties which are more frequently met with in assessing Ahmedabad returns. The total duty outstanding on the 31st March on the production of the year ending 31st January was Rs. 22,522-11-1.

23. The low receipts for the earlier months are due to the large issues of free stock, and those for the monsoon months to seasonal causes.

IV.—Exemptions and Drawbacks.

Stocks.

24. The procedure for the exemption of stocks under section 41 was explained in last year's report. It has worked on the whole satisfactorily, though discrepancies are not uncommon, especially from Ahmedabad mills. Appendix VI gives an estimate of the issues and of the exemption thereon. The prospect of stock being practically exhausted in twelve months has not been realized. The issues were naturally heavy at first, for they then consisted chiefly of goods forming part of the regular monthly production. This told unmistakeably on the revenue for February, March and April. As stock-goods of this kind became exhausted, there remained goods in less ready demand, whose issue was further retarded by the slackness of trade, which culminated in the panic of the cold weather. Consequently, stocks have gone off with ever-diminishing rapidity, especially in Bombay. A scheme has been considered for redeeming the pledge contained in section 41 by a less elaborate procedure. Briefly stated, this would consist in finding the balance of each mill's stock on a given date and calculating the duty that it would pay were it not free. This amount would then be set off by monthly instalments against duty payable, while the mills would from the date chosen enter in their dutiable returns all goods issued, new and stock alike. Some such arrangement would be a great convenience to all parties, but it would endanger revenue, and its legality in the terms of section 41 is possibly open to question. The preliminary labour of assessing the stock-lists would also be great.

Export.

25. Appendix VII gives the history of the year's applications for free export of cloth. No less than 8,825,460 lbs. obtained exemption on certificate out of an aggregate free export (excluding free stock) of 10,362,068 lbs. The largest proportion of this went to Zanzibar, and the rest in varying quantities to the other East African ports from Suakin to Delagoa Bay, as well as to Mauritius, Jeddah, Aden, the Gulf, the Straits and Shanghai. Almost all of these exports were the produce of Bombay looms, the mofussil being represented by only 61 applications from the Mofussil Mill of Broach and the Jafarali of Surat, covering in all 79,672 lbs. The second column of Appendix II shows the classes of goods which are most largely exported.

26. Under section 26 of the Act of 1894, 121 claims were granted during the year under report on 2,49,115 lbs. of yarn exported after payment of duty. The drawback paid on these claims amounted to Rs. 4,714 out of the total of Rs. 24,805 shown in Appendix IV, the balance being drawback on cloth under the new Act.

27. A practical difficulty has been experienced in applying Section 51 of the Sea Customs Act to drawbacks under the Cotton Duties Act. Rule 28 of the rules framed under the Act of 1894 is still in force, and covers in practice all cases, so that the convenient procedure of rule 27 is never available. It is usually understood between the mill and the exporter that the mill, having paid the duty, shall take the drawback; yet this rule obliges the Collector to pay it to the exporter. Consequently the exporter's signature at the foot of the bill in token of receipt is always insisted upon, and if payment is claimed by the mill Agents they are further required to produce a written authority to draw it, signed by the exporter. During the plague the exporters vanished, and in the case of several bills issued in December and following months the Agents were unable to obtain the required authority from them within the period of six months allowed by Section 51. And apart from exceptional circumstances like the plague, this section is not suitable to drawbacks under the Cotton Duties Act. The very term used, "re-export," is not applicable to them; and when "export" is read for it such claims cannot be "established" at the time of export, because the goods are exported under the supervision of one department of the Custom House before the application can be scrutinized in the department in which the claim must be established. Some time often elapses (and not always through any particular fault of the mill) before the claim can be established, so that the second clause of the section, which was intended to give a full six months in which to demand payment, frequently in practice gives considerably less. This was felt under ordinary circumstances to be a difficulty; and of late the overcoming in this curtailed period of the further obstacles set up by Rule 28 has been rendered by the plague in many cases impossible. It is only fair, however, to add that these obstacles seem to be of the Mill Agents' own making; when the rule was framed it was expected that they would add the drawback to the price of the goods and leave the exporter to recoup himself at the Custom House, but for some unexplained reason this practice has not been generally adopted.

28. Under Section 39 of the Act of 1896 five claims for drawback, covering 35,125½ lbs. of yarn, were treated within the year under report, and portions of all of them, covering however only 8,169 lbs., allowed. The reason for the large quantity disallowed was explained in last year's report.

Exemption on second issue of duty-paid goods.

29. Under the head of Exemption may conveniently be mentioned several novel cases which occurred towards the close of the year. Three Bombay mills, whose shops in the bazár had been left deserted and unguarded by the incontinent flight of their salesmen from the plague, applied for permission to remove the stocks from these shops, store them again in the mill's godown, and reissue them when convenient free of a second duty. The circumstances being exceptional, permission was readily granted under certain conditions as to the submission of full descriptions of the goods, their separate treatment, their examination by the Inspector, and their reissue within a stated period. These conditions seemed to guard against all possible abuse of the permission, and they were agreed to by the mills concerned; though it should be added that in two cases the periods have since been extended owing to the circumstances remaining unaltered.

30. The provision of a bonded warehouse—on which subject an inquiry was made by another mill—would have satisfactorily met the wants of these Bombay mills, but it would not have met a series of similar cases which arose immediately afterwards in Gujarát. These applications, four in number, were more doubtful, in that there was not as in Bombay any strong and exceptional ground for them, that the bales had in three instances been re-admitted before the application was made, that in two instances some of them were broken before they could be inspected, and that in at least two instances they were re-admitted for the express purpose of being broken and repacked in different quantities and in combination with dutiable goods of other sorts. Some of these bales were refused exemption, but in the case of the majority, in the absence of a procedure already adopted and understood, and in the absence also of any apparent opportunity for fraud, the exemption of goods which beyond reasonable doubt had paid duty once was felt to be imperative. At the same time the multiplication

of such transactions, particularly if the condition that all bales must remain intact were to be abandoned, would impose extra work on the excise establishment, coupled with anxiety lest it might in some way be found possible to abuse the concession. The Gujarát mills have accordingly been notified that no re-admitted bales will in future be exempted except after the Collector's previous permission to re-admit them, and that such permission will only be granted on satisfactory reasons being shewn for the necessity of re-admission and on such conditions as the Collector may think fit. This circular, issued so to speak, in self-defence against a troublesome practice unforeseen in the Act and Rules, may look at first sight somewhat like a restriction upon trade; but it is difficult to imagine how the re-admission of goods once issued can be a regular or common incident of legitimate trade, and the spread of the practice would afford fair ground for suspecting its true object.

V.—General.

Mills in Native Territory.

31. Of the mills in Native Territory referred to in paragraphs 3 and 22 of last year's report, only those of Bhávnagar and Baroda are dangerous. These two are in a position to compete locally with British taxed goods and—what is more important—their success will encourage the establishment of others. The Bhávnagar Darbár at length agreed to impose a $3\frac{1}{2}$ per cent. excise. The mill was shortly afterwards burnt down, but is to be rebuilt. The Gáikwár's Government, after undertaking to levy 5 per cent. on yarns, have since refused to conform to the change in the British taxation. The Government of India have accordingly called for information, which the Collectors concerned are endeavouring to procure, of the quantity of Baroda piece-goods consumed in British districts, and for a draft scheme of frontier control. Previous inquiries about the dealings of the Baroda Mill have been confined to Ahmedabad City, and though the sales they disclosed were only occasional, it was sufficiently striking that Baroda goods would sell at all at the very doors of the Ahmedabad mills. It is now reported that their sale has in the past year become constant and considerable. The Baroda mill being itself for sale, heavy sales of its produce in the enemy's camp may possibly be a mere advertisement; but supposing the goods are sold at a profit there, they can obviously be sold at equal and greater advantage throughout Gujarát; and nothing would seem to be needed, to inflict serious damage on British Indian Manufacturers, but a little enterprise in taking possession of their markets and capital for swelling production to supply them.

32. Both here and at Ahmedabad, Mr. Engel's services have been of great value. Apart from his careful routine-work, his double experience of the industry and the duties have much assisted the working out of technical questions and—it need scarcely be added—the preparation of this report. Mr. McCormack has adequately represented the department in Gujarát, and the work of the office has been carried on with care and diligence.

33. It is hoped that this report has not run to undue length. The duties with which it deals, though an insignificant and subsidiary item of Imperial revenue, are still new. Last year's report carried their history over the introtion of the Act of 1896. Of the working of this Act there was then but little to record, and it has been thought well in this report to describe somewhat fully the administration of the new duties in the first and let us hope the most eventful year of their existence.

A. WOOD,
Second Assistant Collector of Land Revenue,
Customs and Opium.

Bombay, 30*th June* 1897.

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APPENDIX No. I.

Statement showing the Weight of all Yarn Spun by the Cotton Mills in the Bombay Presidency during the year 1896-97.

(*Paras.* 6 *and* 10.)

Count of Yarn.	Weight in Lb. of each Count.	Count of Yarn.	Weight in Lb. of each Count.
		Brought forward ...	286,585,359
1	39,215		
2	314		
3	21,627	25	375,615
4	43,952	26	2,948,755
5	17,540	27	826,969
6	6,743,884	28	2,453,979
2/6	7,837	29	26,095
7	156,365	30	4,318,186
8	3,241,561	31	279,955
9	366,356	32	2,108,120
10	55,930,480	33	148,797
11	4,280,838	34	578,355
12	13,117,374	35	2,584
13	4,103,050	36	586,681
14	1,259,487	38	44,534
15	285,709	40	511,385
16	31,465,505	41	3,104
17	4,687,009	42	39,532
18	7,907,314	44	77,936
2/18	795	46	6,779
19	6,175,277	48	46,158
20	116,184,850	50	18,005
2/20	147,128	52	43,689
3/20	175,996	60	30,242
21	14,996,407	62	1,053
22	8,078,700	70	41,376
23	603,707	80	17,600
24	6,546,353	Miscellaneous ...	8,621
2/24	729	Waste	3,080
Carried over ...	286,585,359	TOTAL Lbs. ...	302,132,544

APPENDIX No. II.

Classified statement of the Quantity of Cotton Goods (excluding stock) produced from the Cotton Mills in the Bombay Presidency during the year 1896-97.

(*Paragraphs 6 and 25.*)

Description of Goods.	Quantity produced during the year.	Exemption allowed.	Balance assessed to Duty.
	Lbs. oz.	Lbs. oz.	Lbs. oz.
Part I.—Grey Goods.			
Chadars	6,131,778 4	540,482 2	5,591,296 2
Dhutis	12,164,809 9	24,500 0	12,140,309 9
Drills and Jeans	723,543 12	320 0	723,223 12
Jacconets	27,899 6	.....	27,899 6
Madapollams	441,188 2	.....	441,188 2
Mulls	51,414 10	.....	51,414 10
Printers	603,293 15	.....	603,293 15
Shirtings and Long-cloths ...	22,816,607 14	2,765,304 4	20,051,303 10
T. Cloths, Domestics and Sheetings	14,311,591 3	4,359,456 12	9,952,134 7
Sail Cloth	132,811 4	5,350 0	127,461 4
Table Cloth	40,424 1	.....	40,424 1
Tent Cloth	338,540 4	1,950 0	336,590 4
Towels and Napkins	851,463 7	.....	851,463 7
Khádi and Dungri	288,364 2	48,413 8	239,950 10
Zanzibar Cloth	1,308,666 7	898,979 12	409,686 11
Fents	408,516 1	.....	408,516 1
Sack Cloth	555 0	.....	555 0
Commissariat	5,028 2	.....	5,028 2
Rooing Cloth	1,292 0	.....	1,292 0
Fancy Goods	5,977,298 5	180,704 6	5,796,593 15
Hosiery Goods	245,464 8 and Doz. 26,327⅓	.....	245,464 8 and Doz. 26,327⅓
Other Goods	153,216 9	.....	153,216 9
Total ...	67,023,766 13 and Doz. 26,327⅓	8,825,460 12	58,198,306 1 and Doz. 26,327⅓

APPENDIX No. III.

Statement showing the production (excluding stock) of cotton goods in the Bombay Presidency during the 12 months of the year 1896-97.

(*Paras. 6 and 7.*)

Month.	Quantity.	
	Lbs.	Doz.
1896.		
April	5,682,446 14	770½
May	6,264,962 9	1,089
June	6,276,134 0	1,290
July	5,840,697 3	971½
August	5,681,907 6	1,178
September	6,292,940 2	2,240
October	6,035,754 14	5,588
November	6,072,167 6	5,144½
December	6,235,689 0	3,746
1897.		
January	4,591,323 6	1,835
February	3,869,571 14	866
March	4,180,172 3	1,609
Total ...	67,023,766 13	26,327½

APPENDIX No. IV.

Statement showing the gross and net revenue recovered in the 12 months of 1896-97.
(*Paras.* 12, 18 *and* 26.)

Months.	Receipts of			Drawbacks.	Net Revenue.	Remarks.
	Duty.	Amendment fees and fines.				
1896.	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	
April	4,120 13 8	2 0 0		1,166 14 6	2,955 15 2	
May	*24,764 8 3	1 0 0		1,310 1 0	23,455 7 3	Rs. 34-1-9 } = Rs. 1,051-15-0.
June	*55,709 15 10	12 0 0		328 7 11	55,393 7 11	Rs. 1,017-13-3 } recovered in* these months under the Act of 1894.
July	61,438 1 4	4 0 0		496 2 2	60,945 15 2	
August	87,453 8 8	57 0 0		2,182 4 11	85,328 3 9	
September	1,14,135 0 4	6 0 0		2,621 2 9	1,11,519 13 7	
October	1,29,706 11 9	10 0 0		5,200 0 9	1,24,516 11 0	
November	87,104 6 2	4 0 0		4,329 13 6	82,778 8 8	
December	86,152 0 3	10 0 0		4,052 2 3	82,109 14 0	
1897.						
January	80,106 1 7	5 0 0		480 2 5	79,630 15 2	
February	86,644 11 11	54 0 0		798 2 1	85,900 9 10	
March	96,972 5 4	5 0 0		1,840 8 2	95,136 13 2	
Total ...	9,14,308 5 1	170 0 0		24,805 14 5	8,89,672 6 8	

Abstract.

	Receipts.	Drawbacks.	Net Revenue.
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bombay Mills	6,26,029 14 1	24,065 14 11	6,01,963 15 2
Mofussil ,, ...	2,88,448 7 0	739 15 6	2,87,708 7 6
Total ...	9,14,478 5 1	24,805 14 5	8,89,672 6 8

APPENDIX No. V (PART I).

Statement showing the progress of recovery of the Duty for the 12 *months from February* 1896 *to January* 1897 *from Bombay Mills.*

(*Paras.* 18, 19 *and* 22).

Month in which recovered.	For February.		For March.		For April.		For May.		For June.		For July.		For August.		For September.		For October.		For November.		For December.		For January 1897.	
	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
March 1896	3	196 1 5	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
April ,, ...	9	2,564 7 10	4	1,556 5 10	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
May ,, ...	14	11,686 0 1	21	13,044 6 5	2	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
June ,, ...	4	8,977 14 6	3	31,431 15 2	18	14,136 8 0	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
July ,, ...	...	.....	4	2,024 15 7	11	31,308 0 1	26	13,060 0 5	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
August ,, ...	...	1,144 0 4	...	5,763 0 4	1	7,932 10 6	4	39,161 4 11	20	12,672 2 3	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
September ,, ...	1	.....	1	.....	1	853 12 7	2	6,394 6 1	8	19,163 0 3	24	9,482 14 11	6	.....	...	.....	...	.....	...	.....	...	.....	...	.....
October ,, ...	...	65 6 8	...	65 3 0	...	135 2 5	1	2,359 0 6	5	22,307 9 5	9	37,812 1 9	23	36,372 8 3	6	586 10 10	...	.....	...	.....	...	.....	...	.....
November ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	3,544 8 9	2	16,214 9 0	25	41,209 4 0	3	.....	...	.....	...	.....	...	.....
December ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	1	1,961 13 0	1	25,399 3 10	27	36,145 3 6	...	.....	...	.....	...	.....
January 1897	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	3	25,273 5 10	31	29,979 8 2	6	1,922 0 9	...	.....
February ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	138 14 10	...	369 15 10	2	25,335 15 4	25	21,348 2 10	...	.....
March ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	4,395 14 11	1	37,793 14 2	28	21,753 0 9
April ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	2,135 4 8	...	108 6 7	1	7,957 15 2
May ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	1	2,533 2 11
(1) Number of Mills to be assessed (2) Total assessment	31	24,633 14 10	33	53,855 12 4	33	54,366 1 7	33	60,974 11 11	33	54,142 12 4	33	50,839 9 5	32	54,548 14 3	32	67,329 1 6	33	61,788 9 2	33	61,846 11 1	32	61,172 8 4	30	32,241 2 10

APPENDIX No. V (PART II).

Statement showing the progress of recovery of the Duty for the 12 *months from February* 1896 *to January* 1897 *from Mofussil Mills.*

Months in which recovered.	For February.		For March.		For April.		For May.		For June.		For July.		For August.		For September.		For October.		For November.		For December.		For January.	
	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.	Assessments.	Duty.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
June 1896	5	16 6 1	5	43 8 1	4	85 14 9	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
July ,, ...	4	2,417 4 4	4	5,701 0 1	4	6,926 12 10	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
August ,, ...	4	1,775 4 0	5	3,512 8 3	7	6,800 1 8	9	6,951 8 2	3	1,740 15 10	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
September ,, ...	4	4,611 9 9	4	9,868 0 8	3	13,323 2 3	9	17,060 5 2	15	21,538 9 5	16	11,889 3 3	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
October ,, ...	...	323 5 3	...	735 12 3	...	615 13 4	...	2,325 13 8	...	1,804 10 0	2	8,767 9 7	18	15,430 0 10	2	.....	...	.....	...	.....	...	.....	...	.....
November ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	2,329 2 3	...	6,665 2 4	14	17,141 11 10	...	.....	...	.....	...	.....	...	.....
December ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	1	5,172 15 5	17	17,472 12 6	...	.....	...	.....	...	.....
January 1897	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	1	.....	1	7,003 15 1	16	15,927 3 9	...	.....	...	.....
February ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	405 13 2	...	231 9 10	2	12,386 5 10	17	26,432 14 3	...	.....
March ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	603 9 5	...	5,426 7 2	16	26,099 6 11
April ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	1	4,141 8 3	2	4,438 15 10
May ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	1,207 5 8
(1) Number of Mills to be assessed (2) Total assessment	17	9,143 13 5	18	19,860 13 4	18	27,751 12 10	18	26,337 11 0	18	25,084 3 3	18	22,935 15 1	18	22,095 3 2	18	22,720 8 5	18	24,708 5 5	18	28,917 3 0	18	36,000 13 8	18	32,645 12 5

	Total assessment.	Amount recovered.	Outstanding on 1st April 1897.
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bombay Mills ...	6,37,772 15 7	6,25,038 2 3	12,734 13 4
Mofussil do. ...	2,98,202 3 0	2,88,414 5 3	9,787 13 9
Total ...	9,35,975 2 7	9,13,452 7 6	22,522 11 1

APPENDIX No. VI.

Statement showing approximate issues during the year 1896-97 *of Stocks exempted under Section* 41.

(*Para.* 24).

Number of Mills holding free stocks on 3rd February 1896.		Number still holding free stock on 31st March 1897.	Estimated amount of stock on 3rd February 1896, about	Amount still in hand on 31st March 1897, approximately	Difference issued in the 14 months, say	Amount of exemption, *i. e.* approximate duty by the old tariff on the issues.
			Lbs.	Lbs.	Lbs.	Rs.
Bombay	33	27	one crore.	2,619,836	7,380,000	1,01,000
Mofussil	18	16	½ a crore.	459,526	4,540,000	62,000
Total ...	51	43	1½ crores.	3,079,362	11,920,000	1,63,000

APPENDIX No. VII.

Statement showing the disposal of applications for free export during 1896-97.

(*Para.* 25).

Number of applications pending on 31st March 1896.	Number of applications received in 1896-97.	Total applications.	Number of applications on which certificates were granted.	Number of claims disallowed under Section 21, clause (*f*).	Number of claims disallowed under Section 23.	Number of claims disallowed for irregularity of particulars.	Number of claims allowed but time-barred under section 51 S. C. A.	Number of claims allowed and paid.	Number of applications pending on 31st March 1897.	Total.
78	3,488	3,566	2,801	5	26	7	27	615	85	3,566

A. WOOD,
Second Assistant Collector of
Land Revenue, Customs and Opium.

Bombay, 30*th June* 1897.

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

INDIAN COTTON DUTIES.

REPORT FOR THE YEAR 1897-98.

No. $\frac{936}{\text{Ex.}}$ OF 1898.

From

THE COLLECTOR OF LAND REVENUE,
CUSTOMS AND OPIUM, BOMBAY.

To

THE COMMISSIONER OF CUSTOMS, SALT,
OPIUM AND A'BKA'RI, BOMBAY.

Bombay Customs House,
16th September 1898.

SIR,

I have the honour to submit, herewith, the Annual Report on the working of the Indian Cotton Duties Act in the Bombay Presidency for the year 1897-98.

2. There was a considerable increase in the amount of yarn spun over the return for 1896-97 and a slight increase over the return for 1895-96. This increase was heaviest in the counts up to 24, and also considerable in the finer counts up to 40. On the other hand, in the finest counts from 41 to 80, there was a decrease, which is attributed not to the discontinuance of weaving fine cloth, but to the use of English yarn in preference to importing raw American and Egyptian cotton and spinning it here.

3. The figures of cotton goods show only issues from the mills, so that it is impossible to ascertain the actual amount woven during the year. The total issues, though doubtless considerably less than in 1895-96, appear to have slightly exceeded those of 1896-97, but there was a considerable increase in the amount of duty collected owing to the large decrease in the issue of free goods under Section 41 of the Act. There now remain only about 1,000,000 lbs. of duty-free goods in stock; this should in all probability be all cleared off during the current year. The total loss of revenue to Government from the beginning, by the exemption under Section 41 of the Act, may be estimated at two lakhs of rupees.

4. Taking the figures for Bombay and the mofussil separately, the issues in Bombay are estimated to have decreased by 14 per cent., and in the mofussil to have increased by $4\frac{1}{2}$ per cent. on the previous year's figures. When it is remembered that the previous year's issues in Bombay were considerably less than those of 1895-96, it will be seen that the effect of two years of plague on the industry in Bombay has been serious.

5. It is reported that the duty was realised without difficulty, and it is satisfactory to note that there was considerable improvement in the punctuality with which the mills submitted their returns during the year.

I have the honour to be,

Sir,

Your most obedient Servant,

W. T. MORISON,
Collector of Land Revenue, Customs and Opium.

REPORT ON THE WORKING OF THE INDIAN COTTON DUTIES ACT IN THE BOMBAY PRESIDENCY FOR THE YEAR 1897-98.

I.—Administration and Control.

Collector and Assistant.

The Collector of Bombay remained responsible for the administration of the Cotton Duties Act throughout the Presidency. Mr. (now Sir James) Campbell held the office from the 1st April to the 14th May, Mr. McNeill from the 15th May to the 8th June, Mr. Kennedy from the 9th June 1897 to the 19th February 1898, and Mr. Morison from the 20th February to the close of the financial year. Under the Collector the undersigned was in immediate charge of the Factory Excise Office until the close of January last, when he gave over charge to Mr. Almon.

Inspectors.

2. Mr. Engel remained First Inspector for the Town and Island of Bombay under the Cotton Duties and Factories Acts. Mr. McCormack exercised supervision over the Gujarát Mills, and the Presidency Inspector, Mr. Shore, over the other three.

Establishment.

3. No great change was made in the establishment either in Bombay or at Ahmedabad, excepting a decrease of Rs. 65 per mensem previously disbursed on the temporary entertainment of two clerks, whose services were dispensed with, as mentioned last year, on the 1st May 1897.

Inspections.

4. The routine of inspections remained unchanged. In Bombay and Kurla they averaged twice a month, in Ahmedabad thrice, in other Gujarát Mills once, and in the remaining three mills of the Presidency four times in the year. Monthly returns were checked in Bombay and Kurla every other month, in Gujarát every month, and elsewhere twice in the year.

Nature of control.

5. The duties of Inspectors remained generally unaltered, except that the growth of the practice of passing piece-goods from one mill into another for the purpose of calendering or bleaching them before final issue required some special supervision. The Gujarát practice, noticed last year, of re-admitting goods once issued for the purpose of making them up into bales of a different weight, disappeared during the year under report.

II.—Mills and Production.

Growth of Mills.

6. The Cotton Mills in the Presidency numbered 102 at the beginning of the year and 108 at its close, one, however, remaining closed throughout the year. Their names and distribution are shown in Appendix I. The increase represents the opening of three new mills in Bombay and three at Ahmedabad. Of the 108, 50, to which must be added three hosiery factories, are textile, one spinning mill having commenced weaving and been added to the number returned last year—49.

Production of Yarn.

7. The yarn manufactured by the 107 mills which span is shown by counts in Appendix II and by months in Appendix III, contrasted with the output of the 102 of 1896-97 and the 97 of 1895-96. On the whole, it will be seen that the figures under report just top those of the year which preceded famine and plague. They would, in the ordinary course, have substantially exceeded them, 11 more mills and some 181,182 more spindles being at work. Since last Rains the Bombay mills seem to have again overstocked the China market, the unusual cheapness of cotton enabling them to continue manufacture and export unabated in the face of falling prices. Stocks, both here and in China, are now very large and prospects bad.

Analysis by Counts.

8. The largest increase (over 17 millions), or 31 per cent., is against 10's, for which there was a somewhat speculative China demand during the latter half of 1897 at the expense largely of 16's and 20's. There is, however, a general increase amounting to 23 per cent. in all the coarse counts right up to 19's,

with the exception of 16's. This increase, especially that below 10's, is ascribed to improved demand from the hand-looms on which cotton carpets, bed-tapes and the like coarse goods are woven. From 21's to 24's there is an increase of nearly 6 millions or 19 per cent., ascribed partially to a good demand from Calcutta for 21's, but also doubtless a symptom of improved enterprize in the spinning of finer counts. This enterprize continues to indicate itself in the figures generally as far up as 40's, the 6 counts from 25 to 30 rising by nearly ¼ of a million or 2 per cent., and the next ten by half a million or 12 per cent. The highest counts, however, from 41 to 80, which have never been spun in large quantities, lost favour to the extent of 120,000 lbs. or 37 per cent. The counts from 41 to 50 have come down steadily in the three years, from 241 to 191 and now to 124 thousands of lbs., while those from 51 to 80 rose from 52 to 133 but dropped back to 79 thousand in the year under report owing to the abandonment to a large extent of the spinning of Egyptian cotton undertaken experimentally by several mills chiefly outside Bombay. The ambition to weave fine dhotis and mulls with profit against Lancashire has not died out, but has preferred the line of importing English yarn rather than raw Egyptian or American cotton. To return, however, to the coarser counts, the heavy decrease against 20's (7¼ millions or 6 per cent.) and against 16's (3 millions or 10 per cent.) is more than compensated by the increase against 10's. This can only be accounted for by a change in the China demand, but the suddenness and magnitude of the transfer of manufacture from the lighter yarns to the heavier is an unhealthy symptom of the watchfulness with which any turn of the market favourable to themselves is seized upon by "Agents" who pay themselves at a uniform rate on every pound spun. In the column for 1895-96, the low figures for 21's and 22's are worth noticing. When these counts were taxable they were abandoned as far as possible in favour of 20's and 18's, but in the subsequent two years of free yarn have returned to their normal proportion.

Production of Cloth.

9. The textile produce of the 50 mills which weave as well as spin, and of the three hosiery factories, is shown by sorts contrasted with that of the previous year in Appendix IV. The increase of nearly 6½ millions is pretty generally distributed. Minuses stand against jaconets, mulls, printers, towels and napkins, and "other goods," but these are chiefly due to altered classification. The printers of 1896-97, for instance, included a largish class of goods woven, it is true, for printing, but not of the quality or dimensions of the recognized printer, which is tariffed at 8 annas, and the Ahmedabad millowners concerned made out their case for returning them as "sallas" at 6½ annas. The diminution of the articles returned unclassed under "other sorts" is a distinct improvement. The decrease against towels and napkins, on the other hand, is real, and represents the loss of a temporary popularity which was not fully deserved. These decreases, however, are trifling, and the general increase is made up by substantial advances in the staple articles—chadars, dhotis, shirtings and long-cloths, T. cloths, &c., and Zanzibar. The exports of the last mentioned to East Africa rose correspondingly, while those of shirtings, T. cloths, &c., to China declined, in consequence, it is understood, of the export of American goods to those parts at unremunerative prices for the purpose of clearing stocks. The manufacture of the plain dhotis tariffed at 6½ annas (formerly 7) increased both in Bombay and Gujarát, that of the 8 anna dhoti in Gujarát only.

10. In Appendix V is given the total textile production of Bombay and Mofussil mills for the months February to January 1896-97 and 1897-98. These months are the basis of all estimates and calculations made in this office, because it is their production which governs the revenue of the financial year. This point is brought out in Appendix VIII.

11. Last year's report traced the effects of the exemption of stocks under Section 41 during the earlier months, and of the plague from January 1897 onwards. The layer of free stock had worn thin by the end of 1896, and may be disregarded in a general retrospect of the 12 months beginning from February 1898. The estimated total issues, including free stock, are given at the foot of Appendix IV.

Review of the Year—Bombay.

12. The present figures for Bombay thus reflect with tolerable accuracy the gradual recovery from the double paralysis of manufacture and of trade. With the return of dealers prices naturally improved, owing to depleted stocks

and afterwards to good agricultural prospects, and in October, it will be seen, the production at last reached the estimated normal of 51 lakhs of pounds. But this return of prosperity was not destined to last, and against January 1898 is to be discerned unmistakeably the ugly footprint of the second epidemic. The conditions had somewhat changed from those of a twelve-month before, and the issues did not total quite so low. But 32 lakhs is nevertheless a disappointing figure, considering how substantially the flight of mill hands and dealers alike was restricted by plague regulations. Weaving continued with little abatement, and many dealers remained confined in Bombay, yet these did little business. Not only were up-country buyers absent, but Bombay traders would not deal with each other. The cause of this is described as tightness of the money market, but this term is little more than a euphemism for sheer distrust of life. Credit depended no longer upon business conditions so much as upon mortality returns. The substantial merchant, who drew his supplies direct from the mill on a forward contract at prices fixed for several months, simply refused to stock the smaller trader on credit as he had always done before. And even if cash were offered at lower prices, he could not discern in the coming months such an expansion of demand as would remunerate him for reducing his rates and curtailing his percentage on the contract rates to which he had bound himself to the manufacturer. The weakness of demand was in fact so abnormal as to defeat its natural result, and prices held up at fictitious figures simply because the cautious Bania could see little prospect of doing a larger business by lowering them. When the abatement of the plague brought relief, it came too late in the season to have its due effect, and prices continued to average half an anna in the pound above the previous season and still more above our tariff valuations. That they must soon come down with a run seems morally certain, yet, even at the time of writing this, such a tendency is scarcely visible.

Mofussil.

13. Turning to the mofussil figures, the increase of production in Gujarát at the expense of Bombay was noticed last year. But when this comparative superiority had passed away, the seasonal decline of Gujarát production became so marked as to cause some anxiety lest a portion of the goods actually issued might be evading return and assessment. On inquiry, however, the Collector was satisfied that this was not the case; and further experience may possibly prove that this extreme slackness of issue observed last rains was no more than a normal yearly phenomenon. The converse, that the production of the open months exceeds the previously assumed normal for those months, is already proved by the experience of the last cold weather, during which the monthly totals, owing to the exhaustion of free stocks, at last approximated to the true gross production. The normal monthly production of the mofussil, estimated a year ago at 17 lakhs, must, it seems, substantially exceed 20. The fall of 7 lakhs, however, between December 1897 and January 1898 must be noticed as indicating that the abovementioned comparative superiorty of Guzarát in a time of epidemic depression in Bombay was not repeated during the second great visitation.

III.—Revenue and Collection.

Actual Revenue.

14. The gross receipts, the drawbacks paid, and the net revenue of the 12 months under review, are shown in Appendix VI contrasted with the corresponding figures for 1896-97; the progress of collection in Appendix VII.

Its fluctuations.

15. The budget estimate of gross revenue was 8¾ lakhs, which later actuals made it possible to raise in September to 9 lakhs. The tardy but substantial improvement of production throughout the Presidency during October, November and December resulted, in spite of the equally general falling off in January, in the actual collections for the year totalling over 9½ lakhs. For this result on the whole year's working, the prosperity of Gujarát is to be thanked, the mofussil revenue having risen by no less than 25 per cent. The Bombay revenue fell absolutely by over quarter of a lakh or 4·31 per cent.

Loss by Depression.

16. It must be remembered that the revenue of the year under report had the advantage of its predecessor in that smaller quantities of free stock remained on hand for issue. Allowing for this fact, and eliminating exemptions and draw-

backs on exports, it is estimated that the net revenue from the mofussil rose virtually by only about Rs. 16,000 or 4½ per cent., the prosperity referred to above having shown itself in the readier clearance of free stocks during the previous year more than in sudden increase of manufacture. The revenue from Bombay virtually fell by no less than a lakh or 14 per cent. The loss of revenue in Bombay, by plague and other adverse causes during 1896-97, was estimated to have approached a lakh, so that the loss during the year under report probably slightly exceeded two lakhs, or say 30 per cent. on the assumed normal.

The Tariff.

17. In the above comparisons and estimates the change of tariff has been neglected for simplicity's sake. The commencement of collection by the new tariff coincided almost exactly with the opening of the financial year under report; but the difference made in the revenue by the chief alteration in tariff values, *viz.*, the reduction of the bulk of the goods from 7 annas a pound to 6½, was not great. By the old tariff 62 pounds of assessed goods yielded on the average a rupee of duty: by the present tariff 65 pounds must be assessed to produce the same result. Or, to view it from another standpoint, the average incidence of the tax on all classes of goods was 2·95 pies, or say a piee, per pound. As long as the tariff rates remain unaltered, a rise or fall in this average will indicate that a greater or less proportion of the better classes of goods have been produced.

18. During the cold weather, the question of returning to the 7-anna valuation for all the common goods was considered, but such a step was reported to Government to be premature, a view justified by the subsequent paralysis of trade described above in paragraph 12. The same conditions gave use to a converse proposal, *viz.*, to reduce some of the 8-anna goods to 7½ annas, which was similarly postponed until quoted prices should present a more normal aspect. Indeed, it is not proposed to renew the subject until the coming trade-season is fully developed.

Progress of collection.

18. The meaning of Appendix VII was fully explained in last year's report. Its connection with the actuals of revenue is brought out in the Abstract given separately as Appendix VIII. Certain arrears collected in March strike the eye at once; but these are exceptional, representing the remaining production of a private mill mentioned in last year's report as having ceased running in 1896. Small quantities of its stock were sold in April and May 1897, but the owner having taken refuge in native territory, leaving no responsible agent behind, it was found impracticable to extract the duty from him. It was only after liquidation was complete and the remaining stock was sold off by public auction that the new owners, with some reluctance, paid up the arrears on the old issues, together with the duty on the more recently auctioned stock. Under such circumstances no fine was, of course, imposed. During the year 81 notices to pay were served under Section 9 (1) and one fine of Rs. 50, afterwards reduced on explanation to Rs. 25, was imposed under Section 11 (1). These results compare favourably with the 108 notices and two fines of Rs. 50 each reported for 1896-97. The outstanding of Rs. 26,658 compares unfavourably with the Rs. 22,523 due on 31st March 1897, but as noticed last year special pains had then been taken to collect the last few assessments of the year with promptitude in order to save the revenue from falling short of the budget estimate. In March 1898 there was no such urgency.

Returns.

19. A considerable improvement was elicited in the course of the year in the punctuality of returns of piece-goods as well as of yarn, but these are still almost universally delivered beyond the respective limits of time prescribed, and further improvement cannot, it is feared, be expected without an exemplary prosecution or two.

IV.—Exemptions and Drawbacks.

Free Stocks.

20. The exhaustion of free stocks have been so often referred to above that nothing remains to be said of it except that it is a relief to all concerned. The working of Section 41 from the commencement of the Act is exhibited in Appendix IX, from which it will be seen that the total amount of duty which will have been foregone is estimated at about 2 lakhs. The balance left on 31st March last being insignificant, it is intended to drop this table next year.

21. Appendix X gives the history, for two years, of all applications for certificate under Section 18 or drawback under Section 20 on cloth exported to foreign ports. The applications for 1897-98 cover 96,51,751 lbs. of cloth, of which 80,98,127 lbs. were exempted, the remainder being treated for drawback. The exports in the previous year amounted to 1,03,62,068 lbs. The true decrease of export is not fully represented by these figures, for neither of them includes free stocks, of which there was a much larger quantity to export in 1896-97. The sorts of goods exported are to be seen in the second column of Appendix IV. The Zanzibar cloth and fancy goods go entirely westwards, and the exports of these improved: those of dhotis to East Africa and of T. cloths &c., which are exported chiefly eastwards, fell off. All the exports of the year were Bombay goods, except some from one mill at Surat, one at Broach and one at Ahmedabad. Export.

V.—General.

22. The inquiries into the competition of untaxed Baroda goods were continued and completed, but information was meanwhile received that a Gáikwári excise had been introduced. This may satisfy the complaints of the Ahmedabad millowners. Mills in Native States.

23. It remains to express continued satisfaction with the work of the two Inspectors, Messrs. Engel and McCormack, as also of the office establishment. No correspondence of note occurred with the Millowners' Association. The Staff.

24. The late submission of this report is much regretted. It has been taken in hand more than once since the figures were ready, but its completion has been almost unavoidably postponed by changes in the office and by more urgent calls for other annual reports.

A. WOOD,
Assistant Collector of
Land Revenue, Customs and Opium.

Bombay Custom House,
31*st August* 1898.

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APPENDIX I.

List of Mills in the Bombay Presidency during the year 1897-98.

(Paras. 6 and 7.)

No.	Name of the Mill.	Spinning.	Weaving.
1	Alexandra	Spinning	Weaving.
2	Alliance Cotton... ...	Do.	Do.
3	Anglo Indian	Do.	...
4	Bombay Cotton... ...	Do.	...
5	Bombay United... ...	Do.	Weaving.
6	Bombay National ...	Do.	...
7	Bomonji Petit	Do.	Weaving.
8	Britannia	Do.	...
9	China	Do.	...
10	City of Bombay... ...	Do.	...
11	Colaba Land and Mill Co.'s...	Do.	Weaving.
12	Connaught	Do.	...
13	Currimbhoy	Do.	...
14	David	Do.	...
15	Damodar Lakhmidas ...	Do.	...
16	Dhan	Do.	...
17	Dinshaw Petit	Do.	Weaving.
18	Empress (old)	Do.	...
19	Do. (new) ...	Do.	...
20	E. D. Sassoon	Do.	Weaving.
21	*Ebrahim Pabany ...	Do.	...
22	†Framji Petit	Do.	Weaving.
23	Hindustán	Do.	Do.
24	Hongkong	Do.	Do.
25	Hope	Do.	...
26	Howard and Bullough ...	Do.	...
27	Imperial	Do.	...
28	Indian	Do.	Weaving.
29	Indo-China	Do.	...
30	Jacob Sassoon	Do.	Weaving.
31	Jahangir Wadia ...	Do.	...
32	Jam...	Do.	Weaving.
33	James Greaves	Do.	...
34	Jamshed	Do.	...
35	Jivraj Balu	Do.	Weaving.
36	Jubilee	Do.	...
37	Islam (late Wahalan) ...	Do.	Weaving.
38	Kaiser-i-Hind	Do.	Do.
39	Khatau Makanji ...	Do.	Do.
40	Lakhmidas Khimji ...	Do.	...
41	Leopold	Do.	...
42	Madhavji Dharamsey ...	Do.	...
43	Mahalaxmi	Do.	...
44	Mahomedan	Do.	...
45	Manockji Petit	Do.	Weaving.
46	Lord Reay	Do.	Do.
47	Mazagon	Do.	Do.
48	Motilal Pitty	Do.	...
49	Morarji Gokaldas ...	Do.	Weaving.
50	New Great Eastern ...	Do.	Do.
51	Oriental (Tárdev) ...	Do.	Do.
52	Do. (Colaba) ...	Do.	Do.
53	Piru Mahomed	Do.	...
54	Presidency	Do.	Weaving.
55	Queen	Do.	...
56	Ripon	Do.	...
57	Saraswati	Do.	...
58	Sassoon	Do.	Weaving.
	Carried over ...	58	26

No.	Name of the Mill.	Spinning.	Weaving.
	Brought forward ...	58	26
59	Sunderdas	Spinning	Weaving.
60	Star of India	Do.	...
61	Standard	Do.	Weaving.
62	Sun...	Do.	...
63	Textile	Do.	...
64	Union	Do.	...
65	Union Spinning and Weaving	Do.	...
66	Victoria	Do.	...
67	Wadia	Do.	...
68	Western India	Do.	Weaving.
69	*Assur Virji	Do.	...
70	*Sorab	Do.	...
	Total ...	70	29
	Ahmedabad District.		
1	Ahmedabad Cotton Manufacturing ...	Spinning	Weaving.
2	Do. Ginning and Manufacturing ...	Do.	Do.
3	Do. Manufacturing & Calico Printing ...	Do.	Do.
4	Do. New Spinning and Weaving ...	Do.	...
5	Do. Spinning and Weaving ...	Do.	Weaving.
6	A'ryodaya	Do.	Do.
7	Becherdas	Do.	Do.
8	*Bharatkhand	Do.	...
9	Gujarát Ginning and Manufacturing ...	Do.	Weaving.
10	Do. Cotton	Do.	...
11	Do. Spinning and Weaving ...	Do.	Weaving.
12	Hitechhu	Do.	...
13	Maneck Chock and Ahmedabad	Do.	Weaving.
14	Maneckial Hiralal ...	Do.	...
15	Motilal Hirabhai ...	Do.	Weaving.
16	Purushotam	Do.	Do.
17	Rájnagar Spinning and Weaving ...	Do.	Do.
18	Do. Ginning and Manufacturing ...	Do.	...
19	Viramgám Spinning and Weaving	Do.	Weaving.
20	Gujarát Spinning and Manufacturing	Do.	...
21	*Ahmedabad-Sárangpur ...	Do.	...
22	*A'ryodaya, No. 2 ...	Do.	...
	Total ...	22	13
	Thána District.		
1	Coorla Spinning and Weaving.	Spinning	Weaving.
2	Swadeshi	Do.	Do.
	Total ...	2	2

* These Mills were opened in 1897-98.

† This Mill commenced weaving in 1897-98.

No.	Name of the Mill.	Spinning.	Weaving.
	Broach District.		
1	Mofussil Cotton Company ...	Spinning.	Weaving.
2	Whittle Spinning and Weaving, No. 3 ...	Do. ...	Do.
3	Do. No. 2 ...	Do. ...	...
4	Do. No. 1 ...	Do. ...	...
	Total ...	4	2
	Surat District.		
1	Jaferali	Spinning.	Weaving.
2	Beg Mohomed	Do. ...	...
3	Gulam Baba	Do. ...	...
	Total ...	3	1
	Kaira District.		
1	Munore	Spinning.	...
	Total ...	1	...
	Poona District.		
1	Poona Cotton and Silk ...	Spinning.	Weaving.
2	Mundwa	Do. ...	...
	Total ...	2	1

No.	Name of the Mill.	Spinning.	Weaving.
	Khándesh District.		
1	Khándesh Spinning and Weaving	Spinning.	Weaving.
	Total ...	1	1
	Sholápur District.		
1	Sholápur Spinning and Weaving	Spinning.	Weaving.
	Total ...	1	1
	Belgaum District.		
1	Gokák Falls Mill ...	Spinning.	...
	Total ...	1	...
	Dhárwár.		
1	Southern Mahratta Spinning.	Spinning.	...
	Total ...	1	...
	Grand Total ...	108	50

ABSTRACT.

No.	Districts.	Spinning.	Spinning and Weaving.	Total.
1	Bombay Island	41	29	70
2	Thána	...	2	2
3	Ahmedabad	9	13	22
4	Broach	2	2	4
5	Surat	2	1	3
6	Kaira	1	...	1
7	Poona	1	1	2
8	Khándesh	...	1	1
9	Sholápur	...	1	1
10	Belgaum	1	...	1
11	Dhárwár	1	...	1
	Grand Total ...	58	50	108
	Add Hosiery Factories (all in Bombay).			
1	Hasanali Sulemanji	...	...	...
2	Lukmanji Sulemanji	...	...	...
3	Liladher Ramji	...	...	...
	Total ...	...	...	...

APPENDIX II.

Comparative Statement showing the Weight of all Yarn spun by the Cotton Mills in the Bombay Presidency during 1895-96, 1896-97 and 1897-98.

(Paras. 7 and 8.)

Count of Yarn.	1895-96.	1896-97.		1897-98.		Count of Yarn.	1895-96.	1896-97.	1897-98.
	Lbs.	Lbs.		Lbs.			Lbs.	Lbs.	Lbs.
No. 1		39,215		77,765		Brought forward...	316,464,876	297,697,377	317,957,883
2		314		.....					
3		21,627		.....		No. 2-30	140,414	.....	2,931
4		43,952		2,036		31	540,045	279,955	162,274
5		17,540		52,470		32	1,047,022	2,108,120	2,811,844
6		6,743,884		8,230,605		2-32	14,953	.....	.....
2-6		7,837		2,349		33	120,296	148,797	31,327
7		156,365		144,013		34	485,752	578,355	813,143
8		3,241,561		3,546,595		2-34	49,622	.....	.....
9		366,356		478,242		35	8,108	2,584	.....
10		55,930,480		78,085,938		36	512,352	586,681	451,140
11	283,025,279	4,280,888		4,324,025		2-36	12,730	.....	.....
12		13,117,374		16,871,071		37	596	.....	.....
13		4,103,050	Total ... 256,157,730	3,880,157	Total 270,343,671	38	10,252	44,534	8,067
14		1,259,487		1,543,348		40	606,464	511,385	481,582
15		285,709		533,808		2-40	76,165	.....	.....
16		37,465,505		28,295,122		41	8,392	3,104	.....
17		4,687,777		3,363,429		2-41	1,220	.....	.....
18		7,907,314		10,459,706		42	80,168	39,532	1,022
2-18		795		.....		44	69,258	77,936	6,304
19		6,175,277		6,563,925		45	27,639	.....	.....
20		116,305,473		108,889,067		46	237	7,779	16,150
2-20	.....	147,128		244,049		47	9,628	.....	.....
3-20	.....	175,996		65,537		48	.....	46,158	.....
21	8,613,142	15,024,720		15,346,916		50	44,158	18,005	101,337
22	5,833,330	8,091,415		12,569,213		2-50	1,687	.....	.....
2-22	400	.....		.....		52	4,172	43,689	13,504
23	292,256	603,707		527,808		54	.....	.....	1,335
24	8,363,179	6,546,353		7,696,072		60	14,333	30,242	20,622
2-24	44,840	729		.....		2-60	42	.....	.....
25	529,308	875,615		291,502		62	329	1,053	142
26	3,188,205	2,948,755		3,285,567		66	60	.....	.....
2-26	4,540	.....		.....		70	30,480	41,376	1,256
27	347,992	826,969		681,339		72	3,298	.....	.....
28	2,081,217	2,463,979		2,147,598		76	.....	.....	4,290
2-28	14,597	.....		.....		80	.....	17,600	38,519
29	86,366	26,695		60,731		Miscellaneous	.....	8,622	11,268
2-29	.....	.....		400		Waste ...	.....	3,080	3,186
30	4,040,225	4,318,186		4,697,480		Mixed ...	.....	.....	424
Carried over ...	316,464,876	297,697,377		317,957,883		Grand Total ...	320,384,698	302,294,964	322,939,600

APPENDIX III.

Comparative Statement showing the Production of Yarn spun by the Cotton Mills in the Bombay Presidency during the years 1895-96, 1896-97 and 1897-98.

(Para. 7.)

Month.	Bombay.		Mofussil.		Presidency.		
	1896-97.	1897-98.	1896-97.	1897-98.	1895-96.	1896-97.	1897-98.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
April ...	24,100,000	12,400,000	4,500,000	5,000,000	25,000,000	28,600,000	17,400,000
May ...	25,100,000	19,200,000	4,700,000	5,300,000	30,400,000	29,800,000	24,500,000
June ...	25,700,000	20,500,000	4,600,000	5,200,000	27,700,000	30,300,000	25,700,000
July ...	25,500,000	25,700,000	4,900,000	5,300,000	28,600,000	30,400,000	31,000,000
August ...	26,000,000	22,600,000	4,800,000	6,800,000	29,000,000	30,800,000	29,400,000
September ...	22,500,000	23,100,000	4,900,000	5,600,000	26,500,000	27,400,000	28,700,000
October ...	24,600,000	22,200,000	5,100,000	5,200,000	27,400,000	29,700,000	27,400,000
November...	20,500,000	23,400,000	4,500,000	5,300,000	25,600,000	25,000,000	28,700,000
December ...	23,100,000	23,900,000	5,000,000	5,200,000	25,100,000	28,100,000	29,100,000
January ...	11,700,000	23,500,000	5,100,000	5,200,000	26,000,000	16,800,000	28,700,000
February ...	7,300,000	22,000,000	5,100,000	4,900,000	24,300,000	12,400,000	26,900,000
March ...	7,500,000	20,000,000	5,400,000	5,500,000	24,200,000	12,900,000	25,500,000
Total ...	243,600,000	258,500,000	58,600,000	64,500,000	320,300,000	302,200,000	323,000,000

APPENDIX IV.

Comparative Classified Statement of the Quantity of Cotton Goods (excluding Free Stock) produced from the Cotton Mills in the Bombay Presidency during the years 1896-97 and 1897-98

(Paras. 9, 11 and 21.)

Description of Goods.	Quantity produced during the years.		Exemption allowed.		Balance assessed to duty.	
	1896-97.	1897-98.	1896-97.	1897-98.	1896-97.	1897-98.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Chadars	6,131,773	2,529,436	540,482	517,911	5,591,296	7,011,525
Dhoties	12,164,809	14,837,008	24,500	16,432	12,140,309	14,820,576
Drills and Jeans	723,544	177,468	320	6,375	723,224	171,093
Jaconets	27,899	2,445	.....	.....	27,899	2,445
Madapollams	441,188	1,540,624	.....	.....	441,188	1,540,624
Mulls	51,415	3,558	.....	.....	51,415	3,558
Printers	603,294	105,473	.....	.....	603,294	105,473
Shirtings and Long-cloths	22,816,008	24,056,729	2,765,304	2,247,841	20,051,304	21,802,938
T. Cloth Domestics and Sheetings	14,311,591	14,913,374	4,359,457	3,922,813	9,952,134	10,990,561
Sail Cloth	132,812	159,253	5,350	.....	127,462	159,253
Table Cloth	40,424	40,573	.....	350	40,424	40,223
Tent Cloth...	338,540	627,442	1,950	.....	336,590	627,442
Towels and Napkins ...	851,464	561,622	.....	3,600	851,464	558,022
Khadi and Dungri... ...	288,364	479,433	48,414	10,138	239,950	469,295
Zanzibar Cloth	1,308,667	1,704,023	898,980	1,154,486	409,687	549,537
Fents	408,516	429,243	.....	.....	408,516	429,243
Commissariat	5,028	7,247	.....	.....	5,028	7,247
Rowing Cloth	1,292	5,304	.....	.....	1,292	5,304
Fancy Goods	5,977,299	5,986,088	180,704	218,181	5,796,595	5,767,907
Hosiery	245,464 and (Dozen 26,327)	255,889 and (Dozen 34,525)	.....	.....	245,464 and (Dozen 26,327)	255,889 and (Dozen 34,525
Sack Cloth...	555	.....	.....	.....	555	.....
Other Goods	153,216	65,284	.....	.....	153,216	65,284
Total ... / Dutiable production ...	67,023,767 and (Dozen 26,327)	73,481,566 and (Dozen 34,525)	8,825,461	8,098,127	58,198,306 and (Dozen 26,327)	65,383,439 and (Doz. 34,525)
Add estimated issues of free stock	6,000,000	2,000,000	.....	.....	.....	.....
Estimated total actual issues	73,023,767 and (Dozen 26,327)	75,481,566 and (Dozen 34,525)				

APPENDIX V.

Comparative Statement showing the Production (excluding Free Stock) of Cotton Goods in the Bombay Presidency during the twelve months, February to January, of the years 1896-97 and 1897-98.

(Paras. 10, 11, 12 and 13.)

Months.	Bombay.		Mofussil.		Presidency.	
	1896-97.	1897-98.	1896-97.	1897-98.	1896-97.	1897-98.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
February	1,851,839	1,931,928	553,326	1,937,644	2,405,165	3,869,572
March	3,895,654	2,131,827	1,215,922	2,048,345	5,111,576	4,180,172
April	4,065,680	2,538,038	1,616,767	2,485,700	5,682,447	5,023,738
May	4,797,493	3,545,942	1,467,469	2,682,873	6,264,962	6,228,815
June	4,702,404	4,073,880	1,573,640	1,863,714	6,276,134	5,937,544
July	4,409,402	4,293,202	1,431,295	1,401,039	5,840,697	5,694,241
August	4,288,535	3,962,552	1,393,372	1,024,675	5,681,907	4,987,227
September	4,845,728	4,170,128	1,447,212	1,522,196	6,292,940	5,692,324
October	4,453,675	5,184,040	1,582,080	2,291,793	6,035,755	7,475,833
November	4,254,904	5,662,712	1,817,263	2,792,003	6,072,167	8,454,715
December	4,222,988	5,188,297	2,012,751	2,576,203	6,235,689	7,764,500
January	2,525,784	3,265,055	2,065,590	1,841,342	4,591,324	5,106,397
Total ...	48,314,076	45,947,551	18,176,687	24,467,527	66,490,763	70,415,078

APPENDIX VI.

Comparative Statement showing the gross and net Revenue recovered in the years 1896-97 *and* 1897-98.

(*Para.* 14.)

Months.	1896-97. Receipts on Duty.	1896-97. Receipts on Amendment fees and fines.	1896-97. Payments of drawback.	1896-97. Net Revenue.	1897-98. Receipts on Duty.	1897-98. Receipts on Amendment fees and fines.	1897-98. Payments of drawback.	1897-98. Net Revenue.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
April	4,120 13 8	2 0 0	1,166 14 6	2,955 15 2	41,277 8 1	12 0 0	2,262 7 6	39,027 0 7
May	24,764 8 3	1 0 0	1,310 1 0	23,455 7 0	63,097 5 2	7 0 0	2,194 1 8	60,910 3 6
June	55,709 15 10	12 0 0	328 7 11	55,393 7 11	47,184 11 0	9 0 0	690 12 7	46,502 14 5
July	61,438 1 4	4 0 0	496 2 2	60,945 15 2	1,18,842 11 8	10 0 0	2,892 15 6	1,15,959 12 2
August	87,453 8 8	57 0 0	2,182 4 11	85,328 3 9	71,317 0 4	19 0 0	2,316 0 3	69,020 0 1
September	1,14,135 0 4	6 0 0	2,621 2 9	1,11,519 13 7	67,112 5 3	6 0 0	2,000 6 0	65,117 15 3
October	1,29,706 11 9	10 0 0	5,200 0 9	1,24,516 11 0	56,105 12 3	16 0 0	1,936 4 3	54,185 8 0
November	87,104 6 2	4 0 0	4,329 13 6	82,778 8 8	89,322 6 8	19 0 0	2,576 8 3	86,764 14 5
December	86,152 0 3	10 0 0	4,052 2 3	82,109 14 0	54,215 2 2	11 0 0	1,571 8 0	52,651 10 2
January	80,106 1 7	5 0 0	480 2 5	79,630 15 2	1,05,463 8 11	8 0 0	805 2 9	1,04,666 1 2
February	86,644 11 11	54 0 0	798 2 1	85,900 9 10	1,59,675 8 5	32 0 0	1,100 13 8	1,58,606 11 9
March	96,972 5 4	5 0 0	1,840 8 2	95,136 13 2	86,838 3 0	4 0 0	1,805 3 4	85,036 15 8
Total ...	9,14,308 5 1	170 0 0	24,805 14 5	8,89,672 6 8	9,60,451 13 11	159 0 0	22,152 3 9	9,38,452 10 2

ABSTRACT.

	1896-97. Receipts.	1896-97. Drawback.	1896-97. Net Revenue.	1897-98. Receipts.	1897-98. Drawback.	1897-98. Net Revenue.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bombay Mills	6,26,029 14 1	24,965 14 11	6,01,963 15 2	5,98,570 9 7	21,813 8 0	5,76,757 3 1
Mofussil	2,88,448 7 0	739 15 6	2,87,703 7 6	3,62,034 4 10	338 11 9	3,61,695 7 1
Total ...	9,14,478 5 1	24,805 14 5	8,89,672 6 8	9,60,604 13 11	22,152 3 9	9,38,452 10 2

APPENDIX VII (PART I).

Statement showing the progress of recovery of the duty for the twelve months from February 1897 to January 1898 from Bombay Mills.

(*Paras.* 14 *and* 18.)

Month in which recovered.	For February.		For March.		For April.		For May.		For June.		For July.		For August.		For September.		For October.		For November.		For December.		For January.	
	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
April 1897	23	16,004 4 3	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
May ,, ...	3	11,229 4 6	24	12,574 4 7	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
June ,, ...	...	1,312 2 5	5	10,609 15 1	28	9,146 11 3	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
July ,, ...	...	49 5 1	1	2,909 7 8	4	21,127 1 7	28	35,163 6 0	5	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
August ,, ...	...	.....	...	.....	...	.....	3	4,728 3 0	25	36,455 8 3	4	1,385 2 4	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
September ,, ...	...	.....	...	.....	1	1,372 10 6	...	1,964 15 3	1	10,568 12 5	27	29,761 9 0	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
October ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	1	16,864 6 10	29	23,127 2 4	...	.....	...	.....	...	.....	...	.....	...	.....
November ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	1,049 9 8	4	24,760 8 6	28	43,159 6 1	...	.....	...	.....	...	.....	...	.....
December ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	208 14 4	2	7,947 8 5	26	15,208 1 11	...	.....	...	.....	...	.....
January 1898	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	2	4,874 2 3	6	55,468 1 11	28	21,253 3 9	...	.....	...	.....
February ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	1	.....	...	.....	4	56,313 10 1	32	52,735 5 0	...	.....
March ,, ...	...	.....	...	.....	...	157 6 0	...	40 6 1	...	.....	...	.....	...	.....	...	571 1 11	...	.....	...	1,152 13 10	...	15,033 13 11	33	39,397 6 2
April ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	3,401 6 8	...	7,044 6 5
May ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	176 10 9
Total ...	...	28,595 0 3	...	26,093 10 11	...	31,806 13 4	...	41,896 14 4	...	47,024 4 8	...	49,060 11 10	...	48,096 9 2	...	56,552 2 8	...	70,676 3 10	...	78,719 11 8	...	71,170 9 7	...	46,618 7 4

APPENDIX VII (PART II).

Statement showing the progress of recovery of the Duty for the 12 months from February 1897 to January 1898 from Mofussil Mills.

(*Paras.* 14 *and* 18.)

Month in which recovered.	For February.		For March.		For April.		For May.		For June.		For July.		For August.		For September.		For October.		For November.		For December.		For January 1898.	
	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
April 1897	10	6,491 1 4	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	..	.....	...	.....	...	.....	...	.....	...	.....
May ,,	8	22,289 5 11	15	13,263 13 7	...	.....	...	.....	...	.....	...	.....	..	.....	...	.....	...	.....	...	.....	...	.....	...	.....
June ,,	3	1,189 4 2	3	13,128 6 4	13	11,795 3 9	..	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
July ,,	...	.....	1	4,673 6 10	6	25,977 11 10	19	28,942 5 1	3	.....	...	.....	..	.....	..	.....	...	.....	...	.....	...	.....	..	.....
August ,,	...	.....	...	.....	...	.....	...	11,036 3 2	15	17,711 15 7	3	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
September ,,	...	.....	..	.....	..	.....	...	.....	1	10,371 1 1	18	13,073 5 0	...	.....	...	.....	...	.....	...	.....	...	.....	..	.....
October ,,	...	.....	...	.....	..	.....	..	.....	...	.....	3	6,348 5 1	18	9,765 14 0	...	.....	...	.....	...	.....	...	.....	...	.....
November ,,	..	.....	..	.....	...	.....	...	.....	...	.....	...	1,982 4 1	1	5,470 8 1	16	12,900 2 3	...	.....	...	.....	..	.....	...	.....
December ,,	...	.....	...	.....	...	.....	..	.....	...	.....	...	.....	...	.....	3	2,390 6 4	18	21,400 3 2	...	.....	...	.....	...	.....
January 1898	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	..	.....	...	223 1 6	1	9,735 7 1	18	13,309 3 5	1	.....	...	.....
February ,,	...	.....	...	.....	...	.....	..	.....	..	.....	...	.....	...	.....	...	.....	..	2,861 15 11	1	25,059 6 6	17	22,161 12 7	4	543 6 4
March ,,	...	.....	...	.....	...	.....	...	.....	...	.....	..	.....	...	.....	...	.....	...	236 2 5	...	254 3 2	1	14,681 3 7	15	15,353 9 11
April ,,	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	2,315 0 2	...	1,077 12 4	...	11,504 10 10
May ,,	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	338 9 6
Total	...	29,969 11 5	...	31,065 10 9	...	37,772 15 7	...	39,978 8 3	...	28,083 0 5	...	21,403 14 2	...	15,236 6 1	...	22,513 10 1	...	34,293 12 7	...	41,717 13 3	...	38,500 12 6	...	27,740 4 7

APPENDIX VIII.

Abstract of Appendix VII.

[*Paras.* 10 *and* 18.]

	1896-97.			1897-98.		
	Bombay.	Mofussil.	Presidency.	Bombay.	Mofussil.	Presidency.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Assessment for the year February to January	* 6,37,772 15 7	2,98,202 3 0	9,35,975 2 7	5,96,311 3 7	3,68,276 7 11	9,64,587 11 6
Outstandings 1st April	1,017 13 3	34 1 9	1,051 15 0	12,734 13 4	9,787 13 9	22,522 11 1
Amendment fees and fines	170 0 0	.....	170 0 0	147 0 0	6 0 0	153 0 0
Total ...	6,38,960 12 10	2,98,236 4 9	9,37,197 1 7	6,09,193 0 11	3,78,070 5 8	9,87,263 6 7
Less actual receipts in the year ...	6,26,029 14 1	2,88,448 7 0	9,14,478 5 1	5,98,570 9 1	3,62,034 4 10	9,60,604 13 11
Outstanding on the 31st March ...	12,734 13 4	9,787 13 9	22,522 11 1	10,622 7 10	16,036 0 10	26,658 8 8

* Out of this Rs. 196-1-5 were recovered in 1895-96.

APPENDIX IX.

Statement showing approximate issues during the year 1897-98 *of stocks exempted under Section* 41.

[*Paras.* 11, 16, 20 *and* 21.]

Number of Mills holding free stocks on 3rd February 1896.		Number of Mills holding stock on the 1st April 1897.	Number still holding stock on 31st March 1898.	Estimated amount of stock on 3rd February 1896, about.	Amount held on 1st April 1897, approximately.	Amount still in hand on 31st March 1898.	Difference issued in 1897-98, say.	Amount of exemption during 1896-97, *i.e.*, approximate duty on the issues of that year.	Amount of exemption during 1897-98, *i.e.*, approximate duty on the issues.	Amount of exemption remaining to be allowed, *i.e.*, approximate duty on the closing balance (column 6).	Total estimated exemption (sum of columns 8, 9 and 10.)
1		2	3	4	5	6	7	8	9	10	11
				Lbs.	Lbs.	Lbs.	Lbs.	Rs.	Rs.	Rs.	Rs.
Bombay ...	33	27	24	One crore...	2,619,836	848,960	1,770,876	1,61,000	24,300	11,629	1,36,929
Mofussil ...	18	16	10	½ crore ...	459,526	126,136	333,390	62,000	4,600	1,728	68,328
Total ...	51	43	34	1½ crores ...	3,079,362	975,096	2,104,266	1,63,000	28,900	13,357	2,05,257

APPENDIX X.

Comparative Statement showing the disposal of Applications for free Export during 1896-97 *and* 1897-98.

[*Para.* 21.]

Year.	Number of applications pendirg on 31st March.	Number of applications received.	Total applications.	Number of applications on which certificates were granted.	Balance treated for drawback.	Number disallowed under Section 21, clause 1.	Number disallowed under Section 23.	Number disallowed for irregularity of particulars.	Number allowed but time-barred under Section 51 of S. C. Act.	Number allowed and paid.	Number pending on 31st March.	Total.
1896-97 ...	78	3,488	3,566	2,801	765	5	26	7	27	615	85	3,566.
1897-98 ...	101	3,361	3,462	2,815	647	5	4	11	9	538	80	3,462

A. WOOD,
Assistant Collector of
Land Revenue, Customs and Opium.

INDIAN COTTON DUTIES.

REPORT FOR THE YEAR 1898-99.

No. $\frac{608}{\text{EX.}}$ OF 1899.

From

THE COLLECTOR OF LAND REVENUE,
CUSTOMS AND OPIUM,
Bombay;

To

THE COMMISSIONER OF CUSTOMS,
SALT, OPIUM AND A'BKA'RI,
Bombay.

Bombay Custom House,
10th June 1899.

SIR,

I have the honour to submit herewith the Annual Report on the working of the Indian Cotton Duties Act in the Bombay Presidency for the year 1898-99. The report has been carefully prepared and few remarks seemed called for from me.

2. The returns for the year contain gratifying evidence of the steady recovery of the mill industry from the depression caused by the plague panic. There was an increase in the production of yarn of 13·9 per cent, over the previous year and of 21·7 per cent. over 1896-97, and in the production of cotton goods of 10·5 per cent. over 1897-98 and of 13·7 per cent. over 1896-97. The net revenue collected under the Act was Rs. 11,07,365, being 18 per cent. more than in 1897-98 and 24·5 per cent. more than in 1896-97. A comparison cannot be made with the production of the year before the plague, as the duties, as at present levied, were only imposed in February 1896.

3. The duty was recovered without difficulty, and the amount of outstanding at the end of the year would have been much less, but for the fact that several incorrect returns were under adjustment. Proposals will shortly be submitted for a revision of the tariff on certain classes of goods, on the basis of present market prices.

4. The First Inspector, Mr. Engel, deserves special commendation for the zealous and tactful performance of his duties in the Town and Island of Bombay.

I have the honour to be,
Sir,
Your most obedient Servant,
W. T. MORISON,
Collector of Land Revenue, Customs and Opium.

REPORT UPON THE WORKING OF THE INDIAN COTTON DUTIES ACT IN THE BOMBAY PRESIDENCY FOR THE YEAR 1898-99.

I.—Administration and Control.

Collector and Assistant.

The administration of the Act throughout the Presidency remained in the hands of the Collector of Bombay, the office of Collector being held by the following officers in succession :—

Mr. W. T. Morison from April 1st to May 7th, 1898.
Mr. A. L. Wood from May 8th to May 12th, 1898.
Mr. J. P. Orr from May 13th to August 12th, 1898.
Mr. W. T. Morison from August 13th to close of the financial year.

The immediate control and supervision of the Factory Excise Department of the Collector's Office was in charge of Mr. W. Almon from April 1st till May 12th, and of Mr. A. L. Wood from May 13th till May 30th, on which date the duties of the office were handed over to the undersigned, who, with the exception of a few days in August 1898, remained in charge till the close of the financial year.

Inspectors.

2. As before, Mr. Engel held the post of 1st Inspector for the Town and Island of Bombay, while Mr. McCormack and Mr. Shore supervised the working of the Gujarát mills and the three mills in Poona, Khándesh and Sholápur respectively.

Establishment.

3. The establishments, both in Bombay and Ahmedabad, remained unchanged.

Inspections.

4. No alteration has to be noted in the routine of inspections, which averaged two a month in Bombay, including Coorla, three a month in Ahmedabad, and one a month in the rest of Gujarát; while the three Deccan mills were each inspected three times during the year. The system of checking monthly returns remained unaltered, and was carried out with the same regularity as in the previous year. The number of inspections performed in Bombay, which at first sight compares unfavourably with the number in Ahmedabad, is on the whole satisfactory, considering the very much larger number of mills in the former charge.

Nature of control.

5. Reference was made in last year's report to the growth of the practise of passing piece-goods from one mill into another for the purpose of calendering or bleaching them before final issue, and to the consequent increase of the Inspector's duties. Only two instances of this system occurred in Bombay during the year under report, and none in Ahmedabad. The routine work of the Inspectors was, however, augmented from August 1898 by an office-order, requiring them to submit a monthly statement of prices obtained by the Bombay and Ahmedabad mills for piece-goods. This course was adopted with a view to obtaining some reliable foundation on which to base suggestions for the raising or lowering of tariff rates.

II.—Mills and Production.

Growth of Mills.

6. At the commencement of the year there were 108 cotton mills in the Presidency, which number had, by the close of the year, increased to 118 by the opening of ten new mills. Appendix I shows the names and distribution of all mills throughout the Presidency, while the subjoined table gives particulars regarding the ten new mills :—

Where situated.	Total No.	Names.	Date on which work was commenced.
Bombay	4	The Kohinoor Mills	December 1898.
		The Naranji Mills	Do.
		The Pioneer Mills*	August 1898.
		The Vichitra Shala Mill ...	December 1898.
Ahmedabad... ...	3	The Advance Mill	February 1899.
		The Commercial Mill	Do.
		The Vepar Uttejak Mill ..	May 1898.
Viramgám ...	1	The New Spinning and Weaving Mill.	October 1898.
Sholápur	1	The Lakshmi Cotton Mill ...	January 1899.
Dhárwár	1	The Gadag Spinning and Weaving Mill.	April 1898.

* This weaves only.

Of the total number—118—51, to which must be added 3 hosiery factories, are textile mills. This increase of one over the figures in last year's report is due to the opening of the Pioneer Mill for weaving only, as noticed in the Annual Factory Report for 1897 ; the opening of a mill for weaving only is an entirely new departure in this country, where weaving has hitherto been regarded merely as an adjunct of the primary industry of cotton-spinning.

Against the increase of ten in the total number of mills, we have to record the fact that the seven mills noted in the subjoined table were closed for varying periods during the year, owing to liquidation of the companies concerned, destruction by fire and other causes :—

Name of Mill.	Locality.	Cause of Stoppage.	Period of Stoppage.
The Islam Mill	Bombay... ...	In liquidation	April 1898 to July 1898.
The Mahommedan Mill...	Do.	Destruction by fire ...	September 1898 to end of financial year.
The Purushotam Spinning and Weaving Mill.	Ahmedabad ...	Do. ...	April 1898 to October 1898.
The Hitechhu Mill	Do. ...	In liquidation	March 1899.
The Gujarát Cotton Spinning Mill ...	Do. ...	Do.	November 1898 to end of financial year.
The Tapti Spinning Mill	Surat	Agent's disputes	July 1898 to end of financial year.
The Gadag Cotton Spinning Mill ...	Dhárwár ...	Want of funds... ...	September 1898 to end of financial year.

Production of Yarn.

7. Appendix II shows the total amount by counts of yarn spun in the 117 mills, which worked during the year under report, as contrasted with the out-turn of 107 mills in 1897-98 and 102 mills in 1896-97. Appendix III shows the monthly out-turn of the mills during those three years. As is only natural, considering the addition of nine new mills and the re-opening of one old mill, the grand total of yarn spun exceeds by a fair amount the totals for the two previous years : and the excess would doubtless have been still larger, had not plague rendered inevitable a decrease of production during a certain portion of the twelve months under report. From the figures for the three years, however, it may reasonably be inferred that the plague, though still exercising a vitiating influence upon the out-turn of the mills, has to a great extent lost its power, and that in all likelihood it will never again be permitted to induce the abnormal depression which marked the months of January, February, March and April 1897. The year under report has not witnessed the wholesale panic among operatives, the indecision of mill-owners and the consequent closing of mills, which marked the two preceding years; and to these facts must be attributed the superiority of this year's returns. The remarks made in last year's report upon the over-stocking of the China market by Bombay mills apply even more directly to the year under report. Notwithstanding an increase in Japanese production and a certain amount of competition among the mills in China, the exports from India during the year 1898 are said to have exceeded those of 1897 by about 13 per cent. This abnormal supply may have helped to augment the considerable depression in the China market which existed during the latter half of the year 1898, and which led to a discussion of proposals to curtail the hours of work in the Bombay mills.

Analysis by Counts.

8. Turning to Appendix II, one finds that there has been a considerable increase of production in the coarser counts from 1 to 20, amounting in all to 42,834,454 pounds or 15:8 per cent. The production of 6s, 10s, 17s and 20s has been extremely large and more than counter-balances the falling off in 16s and 18s. The only reason assignable is that the China demand for 16s and 18s is amply supplied by the Japanese mills. The uniformity of Japanese yarn and the very satisfactory weights of Japanese bales have undoubtedly fostered a partiality for Japanese counts in the China market. During the year a very large number of spindles have been working in Japan, the output of which can be shipped straight to consuming ports, while Indian yarn, on the contrary, has to find its way thither through Hongkong and Shanghai and pay as well some profit to the middlemen. Dull though the market was throughout the year, the demand for Indian 10s lost none of its intensity : on the contrary, it increased to such an extent, that some mills were spinning practically that one count only. Superior spinnings of 6s and 8s found favour also and commanded good prices. A desire

to improve the production of finer counts may be responsible for an increase of nearly 3 millions or 8 per cent. in the counts ranging from 21s to 24s; but the increase is connected with, and follows naturally from, the decrease in counts ranging from 25s to 40s. These latter, which show a falling of 3 per cent., are largely used for weaving; and hand-weavers, in general, use English or European yarns in preference to Indian. A decrease of production is once again noticeable in the highest counts from 41s to 50s and from 50s to 80s. During the past four years the spinning of these kinds of yarn has been viewed with growing disfavour, inasmuch as the machinery of Bombay mills is not so well suited for fine spinning as the machinery to be found in Lancashire mills, and as, also, the quality of Indian cotton forbids any attempt to spin the highest counts with profit. It is believed that Bombay mill-owners find it more profitable to import English yarn in cops, ready for the weaving-shed, than to spin from cotton imported from Egypt or America.

Production of cloth.

9. The textile produce of all the mills which worked during the year is shown by sorts in Appendix IV, contrasted with that of the two previous years. The one mill, mentioned in last year's report as having been closed entirely, re-opened its spinning department during the year under report. Its weaving-shed, however, remained closed as before. There was a general increase in the production of every class of goods, except "Printers", for the diminution in which the reasons given in last year's report still apply. Jaconets, mulls and towels and napkins show an increase, though they have not nearly reached the standard of 1896-97. The general increase is distributed among the better known classes, such as chadars, dhotis, drill and jeans, T cloths, shirtings and Zanzibar cloth. The small rise under other or unclassed goods is scarcely noticeable. Appendix IV also shows the classes of goods treated for exemption during the year. With the exception of shirtings and longcloth, fancy goods, tent cloth and Zanzibar cloth, there has been a general diminution of the quantity exported. Of the four sorts noted, Zanzibar cloth is mostly in demand at African Ports, while the rest find their way to the markets in China, Aden, Egypt, and in the case of fancy goods to Ceylon and Arabian Ports. In this connection I would remark that the task of checking all bales before shipment was throughout the year performed with great care by the Superintendent, Preventive Service, and those of his subordinates who are entrusted with this work. With a view to facilitate this work, a suggestion was made in September 1898 for the insertion in the A return form of an extra column, in which the numbers printed on all bales should be entered. Information has now been received that the amendment has met with the approval of the Government of India and will be shortly introduced. By this means the check of issues should be considerably facilitated.

10. The total textile production of Bombay and the mofussil for the months February to January 1896-97, 1897-98, 1898-99 is shown in Appendix V. A reference to the corresponding paragraph of last year's report will show the importance of the figures of production during these months and their bearing upon the revenue of the year.

Characteristics the year. Bombay.

11. The dutiable production during the first four months of 1898-99, *i.e.* from February to May, exceeded by a considerable figure the production during the corresponding period of the two preceding years. Whereas the total dutiable production during the first four months of 1897-98 was only 101 lákhs of pounds, the production for the same period in the year under report is found to have reached 153 lákhs of pounds. Two facts combined to produce this result; the one being, that free stocks have rapidly diminished since the year 1896-97, and that in order to meet the demands of the merchants, mills have been forced to issue larger quantities of dutiable goods; and the other, that the outbreak of plague at the close of 1897 commenced at a later date than the outbreak at the close of 1896. It has been noticed that production is not generally greatly affected for some 3 or 4 months after the epidemic commences: and in corroboration of this fact there are the figures of production in Appendix No. V, showing that the outbreak of plague as early as October 1896 seriously affected the production in February 1897; whereas the second epidemic having only commenced in November 1897, a month or more later, had not had time to seriously affect the production in February 1898. But it has left its mark upon the production returns of the monsoon months, which, even in the best years, form the least productive period out of the 12, and lasting as it did until about

May 1898 gave rise to a diminution of approximately 25¼ lákhs of pounds. Conversely, the absence of plague in virulent form during September, October and November 1898 could not fail to react beneficially upon the returns for September 1898 to January 1899: and even when it again assumed epidemic form at the commencement of the current year, the industry had not to combat such wholesale panic among mill-hands and merchants as had characterised the attack of the previous epidemic.

Nevertheless, the total production in Bombay fell short of the normal by 77½ lákhs of pounds as against 144½ lákhs in 1897-98. Doubtless the rapid diminution of duty-free goods helped to bring about this decrease. The disorganization caused by the presence of the plague, however though less than in the year previous, causes the figure under report to compare unfavourably with that of 1896-97. So long as plague continues to recur in epidemic form, the total production must fall below the normal: but it is unlikely that it will ever fall again to the low figure which obtained during 1897, inasmuch as familiarity with the disease would appear to engender in the minds of both mill-operative and buyer a certain contempt for it, leading them to question the absolute necessity of flight from the city, and ultimately, in many cases, to remain and trust to chance for protection.

ofussil.

12. A reference to Appendices V and VI will show that the period from February to May and again from September to January is the most productive season of the year in the mofussil: and that the latter period, especially, is a busy one, owing to the practice of clearing stocks at the close of the year. The earlier period is connected in the Hindu mind with marriage and its attendant ceremonies, for which new clothing, among other things, must be purchased. Hence a rise in market prices and consequent increase of production take place. The figures for the monsoon months corroborate the view expounded in last year's report that this period of the year is the least productive and that slackness of issue during the rains is a purely normal yearly phenomenon. The truth of the proverb that "T' is an ill wind, &c." is borne out by the figures of total production in the mofussil. For to the fact that Bombay has lain in the grasp of the plague the gradual increase must be largely due. This mofussil increase, coupled with the exhaustion of free-stocks, has raised the total annual production since 1897-98 by 15 per cent.

III.—Revenue and Collection.

tual Revenue.

13. Appendix VI shows the gross receipts, drawback paid, and the net revenue for the 12 months of the year under report, and contrasts them with the corresponding figures in the two previous years. From Appendix VII the progress of collection may be ascertained.

e Fluctuations.

14. The budget estimate of the year's revenue was 11 lákhs, which however, on subsequent calculation it was deemed necessary to decrease to 10½ lákhs. By the end of the year, however, the outlook was brighter, inasmuch as the anticipated epidemic of plague postponed its appearance till a later date than in the year previous; and consequently 11 lákhs was again considered a reasonable estimate of the year's returns. That the view taken was correct is proved by the figures of net revenue for the whole year, *viz.*, Rs. 11,07,364-15-7. The revenue, both of Bombay and of the mofussil, cannot be regarded as other than satisfactory. The Bombay revenue, in particular, which during the year previous fell by over a quarter of a lákh, not only regained lost ground, but exceeded the revenue of 1896-97, Rs. 77,320. The increases in mofussil revenues also helped to ensure justification of the estimate formed of the year's returns.

ss by Depres-n.

15. The year's revenue, as already stated, depends upon the production shown in Appendix IX, the figures in which denote pounds. When converted into rupees, it appears that the actual gross revenue of the year amounted to over 11 lákhs; that Rs. 10,000 denotes the value of the free-stock issued; and that the loss attributable to plague may be estimated at over 1 lákh. Taking into consideration the increase in the number of mills at work, the normal revenue of the year should have been over 12 lákhs, as against 11 lákhs odd in the year previous. The total loss by plague, though still represented at a lákh, was considerably less than in the preceding year: and it must be remembered that the loss is to some extent counterbalanced by an increase of mofussil production.

Briefly, the gross revenue of the year has increased since 1897-98 by 2 lákhs, while loss due to plague has decreased by about 1 lákh—a result, which though, perhaps, not affording ground for very sanguine expectations regarding the revenue of the current year, need not at any rate be viewed with despondency.

Tariff.

16. As stated in the annual report for 1897-98, the question of revising the existing tariff was considered, but was eventually postponed until the market should have assumed an appearance of greater stability. Meanwhile, the Inspectors were asked to submit monthly statements of prices obtained in the market for all classes of goods, which might, it was thought, serve as a basis for calculation of tariff-rates in the future. In October 1898, however, the Bombay Millowners' Association forwarded a memorial to the Government of India, showing that tariff rates were not in accord with the market prices of certain classes of goods, and praying for a reduction of the former. It is true that from March until June, and again from July onwards, of the year under report, the market for plain piece-goods did decline, the total fall averaging 9½ pies per lb. Regarding coloured goods, even the best mills must have suffered from an average fall of from 9 to 12 pies per lb., while the less successful probably experienced a decline of quite 15 pies per lb. in the prices obtainable in the market. Under these circumstances, it was suggested by this office that some steps might be taken to lighten the incidence of the tax, especially as there seemed no probability of the market assuming a normal aspect in the near future. At the time of submitting this report, therefore, the question of raising the common goods from a 6½ anna to a 7 anna valuation, and conversely reducing certain descriptions of 8 anna goods to 7½ annas, is being worked out in detail. The correct solution of the problem is rendered by no means less obscure from the fact that the depression has varied to a greater or lesser extent in respect of different mills, the prices obtained by certain of them appearing, at first sight, to offer little, if any, ground for complaint.

Progress of recovery of duty.

17. A reference to Appendix VII will show the progress of collection of the revenue during the 12 months of the financial year. Three items, *viz.*, Rs. 24-14-0, Rs. 394-0-11 and Rs. 5-0-3, collected in December, January and March, respectively, as shown in Part II of the Appendix, deserve explanation. The clerk of a certain mill in Ahmedabad surreptitiously removed and sold a number of bales, which were not included in the return furnished by the mill. This fact became apparent at the time of checking the balance, but the duty upon the stolen bales could not be recovered immediately, inasmuch as their exact number was unknown, and as the mill registers were in the custody of the Court before which the mill clerk was being tried for theft. On the return of the books the number of stolen bales was traced and duty recovered accordingly. The March item of Rs. 5-0-3 represents duty on one bale, which was by oversight omitted from the list of stolen bales, and the non-entry of which was discovered at the end of December at the time of comparing the stock in the mill godown with the total production entered in the returns. With the exception of these items, all the duty has, as will be patent from Appendix VII, been collected regularly, a fact which is further corroborated by the decrease in the number of notices served under Section 9 of the Act. The number of these was 42 as against 81 and 108 in the two years preceding. No fine was imposed during the year. Notwithstanding a general improvement in punctually assessing and recovering duty, the year closed with an outstanding balance of Rs. 33,472-8-1 (*vide* Appendix VIII) as against Rs. 26,658-8-8 in the year previous, due to the fact that discrepancies were discovered in several returns and rendered inevitable the postponement of assessment till the current year.

IV.—Exemptions and Drawbacks.

Free Stocks.

18. As noticed in last year's report the balance of free stock remaining for issue on March 31st, 1898, was so small, that it has not been thought necessary to include a table showing the approximate issues of that class of goods during the year under report. It will suffice to say that during the year about 7 lákhs of duty-free goods were issued from the mill premises, and that the balance of 3 lákhs thus left should be swallowed up during the current year.

Export.

19. In Appendix X is contained the history of applications for certificate and drawback under Sections 18 and 20 respectively during the last three years. The applications made during the year under report cover 9,387,954 lbs. of cloth, out of which 8,074,920 lbs. were exempted from payment of duty, drawback being allowed upon the remaining quantity.

Since the year 1896-97 exports have gradually decreased from 10,362,865 lbs. to 9,387,954 lbs., the figure quoted for the year under report.

Rule 28 regarding payment of drawback.

20. The difficulty commented upon in the annual report for 1896-97 regarding the payment of drawback to mills within the period of six months after shipment of goods, laid down by Section 51 of the Sea Customs Act led to the issue in September of an order whereby a claim for drawback does not become time-barred till a period of three years has elapsed from the date of preparation of the export bills. On the first introduction of the new procedure laid down in the order, the Mill Owners' Association addressed Government upon the matter and pointed out that confusion, complication and needless inconvenience could be the sole result of a procedure which insisted upon paying drawback to the exporter of goods instead of to the mill, as heretofore. On receipt of a full explanation from this office of the circumstances leading to the issue of the order, Government approved of the new procedure and forwarded to the Mill Owners' Association a statement showing that the new system would not only not induce confusion and complication, but would prove of direct benefit to all mills producing goods for export. I need only remark in conclusion that the new procedure has worked smoothly and satisfactorily, ever since the date of its introduction.

V.—General.

Mills in Native States.

21. The imposition of an excise duty upon cloth manufactured in the Baroda State would appear to have removed the hitherto existing grounds for complaint among Ahmedabad mill owners. In August a letter was received from the Mill Owners' Association in that city, complaining that the absence of a Gáekwári excise duty caused them unmerited loss: but on receipt of a reply from this office pointing out, on the authority of the Agent to the Governor-General at Baroda, that duty was being levied on all goods produced at the one mill working within the State territory, the Association forbore to reiterate their supposed grievances on this score. One new spinning and weaving mill was opened at Wadhwán Civil Station in the Káthiáwár Political Agency and formed the subject of certain correspondence with Government. At the time of submitting this report, it has not been definitely ascertained whether the services of the Ahmedabad Inspecting Staff will be required for the inspection of this mill.

22. In conclusion, I must commend the two Inspectors, Messrs. Engel and McCormack, and the office establishment for zealous performance of their respective duties.

S. M. EDWARDES,
Assistant Collector of
Land Revenue, Customs and Opium.

Bombay Custom House,
25th May 1899.

APPENDIX 1.

List of Mills in the Bombay Presidency during the year 1898-99.

(Paras. 6 and 7.)

No.	Name of Mill.	Spinning.	Weaving.
	Bombay Island.		
1	Alexandra	Spinning	Weaving.
2	Alliance Cotton... ...	Do. ...	Do.
3	Anglo-Indian	D	...
4	Assur Veerji	Do. ...	...
5	Bombay Cotton ...	Do. ...	...
6	Bombay United... ...	Do. ...	Weaving.
7	Bombay National ...	Do. ...	...
8	Bomonji Petit	Do. ...	Weaving.
9	Britannia	Do. ...	...
10	China	Do. ...	...
11	City of Bombay... ...	Do. ...	...
12	Colaba Land and Mill Company.	Do. ...	Weaving.
13	Connaught	Do. ...	...
14	Currimbhoy	Do. ...	...
15	David	Do. ...	...
16	Damodhar Lakhmidas ...	Do. ...	...
17	Dhan	Do. ...	...
18	Dinshaw Petit	Do. ...	Weaving.
19	Empress (old)	Do. ...	...
20	Do. (new) ...	Do. ...	...
21	E. D. Sassoon	Do. ...	Weaving.
22	Ebrahim Pabany ...	Do. ...	...
23	Framji Petit	Do. ...	Weaving.
24	Hindustan	Do. ...	Do.
25	Hongkong	Do. ...	Do.
26	Hope	Do. ...	...
27	Howard and Bullough ...	Do. ...	...
28	Imperial	Do. ...	...
29	Indian	Do. ...	Weaving.
30	Indo-China	Do. ...	...
31	Jacob Sassoon	Do. ...	Weaving.
32	Jahangir Wadia ...	Do. ...	...
33	Jam	Do. ...	Weaving.
34	James Greaves	Do. ...	...
35	Jamshed	Do. ...	...
36	Jivraj Balloo	Do. ...	Weaving.
37	Jubilee	Do. ...	...
38	Islam (late Wahalan) ...	Do. ...	Weaving.
39	Kaiser-i-Hind	Do. ...	Do.
40	Khataw Makanji ...	Do. ...	Do.
*41	Kohinoor	Do. ...	...
42	Lakhmidas Khimji ...	Do. ...	...
43	Leopold	Do. ...	...
44	Lord Reay	Do. ...	Weaving.
45	Madhavji Dharamsey ...	Do. ...	...
46	Mahalaxmi	Do. ...	...
47	Mahomedan	Do. ...	...
48	Manockji Petit	Do. ...	Weaving.
49	Mazagon	Do. ...	Do.
50	Motilal Pitty	Do. ...	...
51	Morarji Goculdas ...	Do. ...	Weaving.
*52	Naranji	Do. ...	...
53	New Great Eastern ...	Do. ...	Weaving.
54	Oriental (Tárdeo) ...	Do. ...	Do.
55	Do. (Colába) ...	Do ...	Do.
56	Piru Mahomed	Do. ...	...
*57	Pioneer	.....	Weaving.
58	Presidency	Spinning	Do.
59	Queen	Do. ...	...
60	Ripon	Do. ...	...
61	Saraswati	Do. ...	...

No.	Name of Mills.	Spinning.	Weaving.
	Bombay Island—continued.		
62	Sassoon	Spinning	Weaving.
63	Sorab	Do. ...	...
64	Standard	Do. ...	Weaving.
65	Star of India	Do. ...	...
66	Sun	Do. ...	...
67	Sunderdas	Do. ...	Weaving.
68	Textile	Do. ...	...
69	Union	Do. ...	...
70	Union Spinning and Weaving .	Do. ...	...
71	Victoria	Do. ...	...
*72	Vichitra Shala	Do. ...	...
73	Wadia	Do. ...	...
74	Western India	Do. ...	Weaving.
	Total ...	73	30
	Thána District.		
1	Coorla Spinning and Weaving.	Spinning.	Weaving.
2	Swadeshi	Do. ...	Do.
	Total ...	2	2
	Ahmedabad District.		
1	Ahmedabad Cotton Manufacturing.	Spinning	Weaving.
2	Do. Ginning and Manufacturing.	Do. ...	Do.
3	Do. Manufacturing and Calico Printing.	Do. ...	Do.
4	Do. New Spinning and Manufacturing.	Do. ...	...
5	Do. Spinning and Weaving.	Do. ...	Weaving.
*6	Do. Advance ...	Do. ...	...
7	Aryodaya	Do ...	Weaving.
8	Ahmedabad Sarangpur ...	Do. ...	...
9	Aryodaya No. 2... ...	Do. ...	...
10	Becherdas	Do. ...	Weaving.
11	Bharatkhand	Do. ...	...
*12	Commercial Ahmedabad ...	Do. ...	...
13	Guzarat Ginning and Manufacturing.	Do. ...	Weaving.
14	Do. Cotton ...	Do. ...	...
15	Do. Spinning and Weaving.	Do. ...	Weaving.
16	Do. Cotton Spinning and Manufacturing.	Do. ...	...
17	Hitechhu	Do. ...	...
18	Maneckchowk & Ahmedabad .	Do. ...	Weaving.
19	Manecklal Harilal ...	Do. ...	...
20	Motilal Hirabhai ...	Do. ...	Weaving.
21	Purshotam	Do. ...	Do.

* These mills were opened in 1898-99.

APPENDIX I—*continued.*

No.	Name of Mill.	Spinning.	Weaving.
	Ahmedabad—continued.		
22	Rajnagar Spinning and Weaving.	Spinning .	Weaving.
23	Rajnagar Ginning and Manufacturing.	Do. ...	...
*24	Vepar Uttejak	Do. ...	...
25	Viramgaum Spinning and Weaving.	Do. ...	Weaving.
*26	Viramgaum New Spinning and Weaving.	Do. ...	...
	Total ...	26	13
	Broach District.		
1	Mofussil Cotton... ...	Spinning .	Weaving.
2	Whittle Spinning and Weaving ... No. 3	Do. ...	Do.
3	Do. do. ... No. 2	Do. ...	...
4	Do. do. ... No. 1	Do. ...	...
	Total ...	4	2
	Surat District.		
1	Jafer Ali	Spinning...	Weaving.
2	Gulam Baba	Do. ...	...
3	Tapti Manufacturing ...	Do. ...	...
	Total ...	3	1
	Kaira District.		
1	Munore	Spinning...	...
	Total ...	1	...

No.	Name of Mill.	Spinning.	Weaving.
	Poona District.		
1	Poona Cotton and Silk ...	Spinning .	Weaving.
2	Mundwa Cotton ...	Do. ...	...
	Total ...	2	1
	Khándesh District.		
1	Khandesh Spinning and Weaving.	Spinning .	Weaving.
	Total ...	1	1
	Sholápur District.		
1	Sholapur Spinning and Weaving.	Spinning .	Weaving.
*2	Lakshmi Cotton ...	Do. ...	...
	Total ...	2	1
	Belgaum District.		
1	Gokak Falls	Spinning .	...
	Total ...	1	...
	Dhárwár District.		
*1	Gadag Cotton Spinning and Weaving.	Spinning .	...
2	Southern Mahratta ...	Do. ...	...
	Total ...	2	...
	GRAND TOTAL ...	117	51

* These mills were opened in 1898-99.

ABSTRACT.

No.	Districts.	Weaving.	Spinning.	Spinning and Weaving.	Total.
1	Bombay Island	1	44	29	74
2	Thána	...	...	2	2
3	Ahmedabad	...	13	13	26
4	Broach	...	2	2	4
5	Surat	...	2	1	3
6	Kaira	...	1	...	1
7	Poona	...	1	1	2
8	Khándesh	...	...	1	1
9	Sholápur	...	1	1	2
10	Belgaum	...	1	...	1
11	Dhárwár	...	2	...	2
	Grand Total ...	1	67	50	118
	Add Hosiery Factories (all in Bombay.)				
1	Husanali Sulemanji	...	...	...	...
2	Lukhmanji Sulemanji	...	...	...	...
3	Liladhar Ramji	...	...	...	...

APPENDIX II.

Comparative Statement showing the Weight of all Yarn spun by the Cotton Mills in the Bombay Presidency during 1896-97, 1897-98, and 1898-99.

(Paras. 7 and 8.)

Count of Yarn.	1896-97.	1897-98.	1898-99.	Count of Yarn.	1896-97.	1897-98.	1898-99.
	Lbs.	Lbs.	Lbs.		Lbs.	Lbs.	Lbs.
No. 1 ...	39,215	77,765	31,722	Brought forward.	293,353,096	313,199,272	359,053,758
2 ...	314	.....	.....				
3 ...	21,627	.....	886	No. 29 ...	26,095	60,731	11,194
4 ...	43,952	2,036	35,482	2-29 ...	.....	400	.....
5 ...	17,540	52,470	51,716	30	4,318,186	4,697,480	4,308,067
6 ...	6,743,884	8,230,605	11,407,909	2-30 ...	.....	2,931	210
2-6 ...	7,837	2,349	13,891	31 ...	279,955	162,274	78,382
7 ...	156,365	144,013	528,778	32 ...	2,108,120	2,811,844	2,754,751
8 ...	3,241,561	3,546,595	3,353,177	33 ...	148,797	31,327	139,426
9 ...	366,356	478,242	1,004,305	34 ...	578,355	813,143	837,995
10 ...	55,930,480	73,085,938	93,152,448	35 ...	2,584	.....	16,539
2-10 ...	.....	.....	2,360	36 ...	586,681	451,140	385,721
11 ...	4,280,838	4,324,925	6,679,022	38 ...	44,534	8,067	6,859
12 ...	13,717,374	16,871,071	25,631,204	40 ...	511,385	481,582	278,839
13 ...	4,103,050	3,880,157	5,706,722	41 ...	3,104	.....	.....
14 ...	1,259,487	1,543,348	2,032,104	42 ...	39,532	1,022	.....
15 ...	285,709	533,808	264,721	43 ...	.....	.....	919
16 ...	31,465,505	26,295,122	21,273,258	44 ...	77,936	6,304	5,201
17 ...	4,687,777	3,363,429	6,296,583	46 ...	6,779	16,150	2,046
18 ...	7,907,514	10,459,706	8,478,184	48 ...	46,158	.....	.....
18-19 ...	.....	.....	56,053	50 ...	18,005	101,387	80,012
2-18 ...	795	.....	.....	52 ...	43,689	13,504	22,928
19 ...	6,175,277	6,563,925	8,096,475	54 ...	.....	1,335	8,495
20	116,305,473	108,889,067	119,080,625	60 ...	30,242	20,622	19,438
20-2 ...	.....	.....	157,444	62 ...	1,053	142	21
2-20 ...	147,128	244,049	243,226	70 ...	41,376	1,256	42
3-20 ...	175,996	65,537	166,714	76 ...	.....	4,290	.....
21 ...	15,024,720	15,346,916	15,700,873	80 ...	17,600	38,519	5,814
22 ...	8,091,415	12,569,213	13,997,938	Miscellaneous ...	8,622	11,268	9,833
23 ...	603,707	527,808	975,983	Mixed ...	.....	424	3,822
24 ...	6,546,353	7,696,072	8,033,469	Waste ...	3,080	3,186	6,508
2-24 ...	729	.....	.....				
25 ...	375,615	291,502	197,317				
26 ...	2,948,755	3,285,547	3,162,319				
27 ...	826,969	681,332	757,827				
28 ...	2,453,979	2,147,598	2,482,523				
Carried over...	293,353,096	313,199,272	359,053,758	Grand Total ...	302,294,964	322,939,600	368,036,820

APPENDIX III.

Comparative Statement showing the Production month by month of Yarn spun by the Cotton Mills in the Bombay Presidency during 1896-97, 1897-98, and 1898-99.

(Para. 7.)

Month.	Bombay.			Mofussil.			Presidency.		
	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
April	24,100,000	12,400,000	20,600,000	4,500,000	5,000,000	5,900,000	28,600,000	17,400,000	26,500,000
May	25,100,000	19,200,000	23,000,000	4,700,000	5,300,000	6,100,000	29,800,000	24,500,000	29,100,000
June	25,700,000	20,500,000	22,500,000	4,600,000	5,200,000	5,800,000	30,300,000	25,700,000	28,300,000
July	25,500,000	25,700,000	27,800,000	4,900,000	5,300,000	6,500,000	30,400,000	31,000,000	34,300,000
August	26,000,000	22,600,000	25,200,000	4,800,000	6,800,000	6,000,000	30,800,000	29,400,000	31,200,000
September	22,500,000	23,100,000	24,800,000	4,900,000	5,600,000	5,800,000	27,400,000	28,700,000	30,400,000
October	24,600,000	22,280,000	24,900,000	5,100,000	5,200,000	5,600,000	29,700,000	27,400,000	30,500,000
November	20,500,000	23,400,000	24,200,000	4,500,000	5,300,000	5,400,000	25,000,000	28,700,000	29,600,000
December	23,100,000	23,900,000	27,300,000	5,000,000	5,200,000	5,800,000	28,100,000	29,100,000	33,100,000
January...	11,700,000	23,500,000	27,200,000	5,100,000	5,200,000	5,700,000	16,800,000	28,700,000	32,900,000
February .. .	7,300,000	22,900,000	25,900,000	5,100,000	4,900,000	5,400,000	12,400,000	26,900,000	31,300,000
March	7,500,000	20,000,000	24,700,000	5,400,000	5,500,000	6,100,000	12,900,000	25,500,000	30,800,000
Total ..	243,600,000	258,500,000	297,000,000	58,600,000	64,500,000	70,100,000	302,200,000	323,000,000	368,000,000

APPENDIX IV.

Comparative classified Statement of the Quantity of Cotton-goods (excluding Free Stock) produced from the Cotton Mills in the Bombay Presidency during the years 1896-97, 1897-98, and 1898-99.

(Paras. 9 and 19.)

Description of Goods.	Quantity produced during the years			Exemption allowed.			Balance assessed to duty.		
	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Chadars	6,131,778	2,529,436	9,635,680	540,482	517,911	507,308	5,591,296	7,011,525	9,128,372
Dhuties	12,164,809	14,837,008	17,197,810	24,500	16,432	10,035	12,140,309	14,820,576	17,187,775
Drills and Jeans	723,544	177,468	311,796	320	6,375	450	723,224	171,093	311,346
Jacconets	27,899	2,445	5,212	.....	.....	.....	27,899	2,445	5,212
Madapollams	441,188	1,540,624	1,451,286	.....	.....	.....	441,188	1,540,624	1,451,286
Mull's	51,415	3,558	8,956	.....	.....	.....	51,415	3,558	8,956
Printers...	603,294	105,473	84,893	.....	.....	.....	603,294	105,473	84,893
Shirtings and Longcloths ...	22,816,608	24,050,779	25,051,862	2,765,304	2,247,841	2,342,053	20,051,304	21,802,938	22,709,809
T. cloth, Domestics and Sheetings	14,311,591	14,913,374	15,896,728	4,359,457	3,922,813	3,203,463	9,952,134	10,990,561	12,693,265
Sail cloth	132,812	159,253	185,870	5,350	.....	.....	127,462	159,253	185,870
Table cloth	40,424	40,573	51,336	.....	350	.....	40,424	40,223	51,336
Tent cloth	338,540	627,442	657,141	1,950	.....	9,530	336,590	627,442	647,611
Towels and Napkins	851,464	561,622	610,459	.....	3,600	.....	851,464	558,022	610,459
Khadi and Dungri	288,364	479,483	648,472	48,414	10,138	16,675	239,950	469,295	631,797
Zanzibar cloth	1,308,667	1 704,023	2,105,293	898,980	1,154,486	1,728,968	409,687	549,537	376,325
Fents	408,516	429,243	731,415	.....	.....	.....	408,516	429,243	731,415
Commissariat	5,028	7,247	6,638	.....	.....	.....	5,028	7,247	6,638
Rowing cloth	1,292	5,304	8,474	.....	.....	.....	1,292	5,304	8,474
Fancy goods	5,977,299	5,986,088	7,324,492	180,704	218,181	253,496	5,796,595	5,767,907	7,070,996
Hosiery	245,464	255,889	325,776	.....	.....	.....	245,464	255,889	325,776
Sack cloth	555	.....	.....	.....	.....	.....	555	.....	.....
Other goods	153,216	65,284	66,532	.....	.....	2,942	153,216	65,284	63,590
Total, dutiable production ...	67,023,767	73,481,566	82,366,121	8,825,461	8,098,127	8,074,920	58,198,306	65,383,439	74,291,201
Add—Estimated issues of free stock	6,000,000	2,000,000	700,000	.....	.....	.....	.....	.....	.....
Estimated total actual issues.	73,023,767	75,481,566	83,066,121	.....	.....	.....	.....	.....	.....

APPENDIX V.

Comparative Statement showing the Production (excluding Free Stock) month by month of Cotton-goods in the Bombay Presidency during the twelve months, February to January, of the years 1896-97, 1897-98, and 1898-99.

(Paras. 10, 11 and 12.)

Months.	Bombay.			District.			Presidency.		
	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
February	1,851,839	1,931,928	3,356,477	553,326	1,937,644	2,150,290	2,405,165	3,869,572	5,506,767
March	3,895,654	2,131,827	3,207,115	1,215,922	2,048,345	2,402,351	5,111,576	4,180,172	5,609,466
April	4,065,680	2,538,038	4,258,331	1,616,767	2,435,700	2,913,821	5,682,447	5,023,738	7,172,152
May	4,797,493	3,545,942	4,460,133	1,467,469	2,682,873	2,645,448	6,264,962	6,228,815	7,105,581
June	4,702,494	4,073,830	3,884,751	1,573,640	1,863,714	1,701,229	6,276,134	5,937,544	5,585,980
July	4,409,402	4,293,202	3,710,159	1,431,295	1,401,039	1,821,948	5,840,697	5,694,241	5,532,107
August	4,288,535	3,962,552	4,442,574	1,393,372	1,024,675	1,454,569	5,681,907	4,987,227	5,897,143
September	4,845,728	4,170,128	5,049,866	1,447,212	1,522,196	1,665,223	6,292,940	5,692,324	6,715,089
October	4,453,675	5,184,040	5,360,281	1,582,080	2,291,793	2,603,251	6,035,755	7,475,833	7,963,532
November	4,254,904	5,662,712	5,968,927	1,817,263	2,792,003	2,743,692	6,072,167	8,454,715	8,712,619
December	4,222,938	5,188,297	5,436,914	2,012,751	2,576,203	2,734,655	6,235,689	7,764,500	8,171,569
January	2,525,734	3,265,055	4,587,308	2,065,590	1,941,342	2,399,930	4,591,324	5,106,397	6,987,238
Total ...	48,314,076	45,947,551	53,722,836	18,176,687	24,467,527	27,236,407	66,490,763	70,415,078	80,959,243

APPENDIX VI.

Comparative Statement showing the gross and net Revenue recovered in the years 1896-97, 1897-98, and 1898-99.

(Paras. 12, 13 and 14.)

Months.	1896-97.			1897-98.			1898-99.			
	Receipts of		Payments of Drawback.	Net Revenue.	Receipts of		Payments of Drawback.	Net Revenue.	Receipts of		Drawback.	Net Revenue.
	Duty.	Amendment fees and fines.			Duty.	Amendment fees and fines.			Duty.	Amendment fees and fines.		
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
April	4,120 13 8	2 0 0	1,166 14 6	2,955 15 2	41,277 8 1	12 0 0	2,262 7 6	39,027 0 7	75,556 0 1	3 0 0	1,923 10 6	73,635 5 7
May	24,764 8 3	1 0 0	1,310 1 0	23,455 7 3	63,097 5 2	7 0 0	2,194 1 8	60,910 3 6	95,171 1 5	1 0 0	1,181 9 2	93,990 8 3
June	55,709 15 10	12 0 0	328 7 11	55,393 7 11	47,184 11 0	9 0 0	690 12 7	46,502 14 5	82,179 0 1	8 0 0	1,175 12 2	81,011 3 11
July	61,438 1 4	4 0 0	496 2 2	60,945 15 2	1,18,842 11 8	10 0 0	2,892 15 6	1,15,959 12 2	1,33,764 7 0	12 0 0	2,674 9 9	1,31,101 13 3
August	87,453 8 8	57 0 0	2,182 4 11	85,328 3 9	71,317 0 4	19 0 0	2,316 0 8	69,020 0 1	66,418 9 4	9 0 0	1,135 15 1	65,291 10 3
September	1,14,135 0 4	6 0 0	2,621 2 9	1,11,519 13 7	67,112 5 3	6 0 0	2,000 6 0	65,117 15 3	77,473 11 3	8 0 0	1,760 3 5	75,721 7 8
October	1,29,706 11 9	10 0 0	5,200 0 9	1,24,516 11 0	56,105 12 3	16 0 0	1,936 4 3	54,185 8 0	95,307 14 0	8 0 0	2,096 0 0	93,219 14 0
November	87,104 6 2	4 0 0	4,329 13 6	82,778 8 8	89,322 6 8	19 0 0	2,576 8 3	86,764 14 5	58,844 9 7	3 0 0	1,831 11 3	57,015 14 4
December	86,152 0 3	10 0 0	4,052 2 3	82,109 14 6	54,215 2 2	11 0 0	1,571 8 0	52,654 10 2	97,397 2 4	12 0 0	1,384 7 10	96,024 10 6
January	80,106 1 7	5 0 0	480 2 5	79,630 15 2	1,05,463 3 11	8 0 0	805 2 9	1,04,666 1 2	1,18,400 8 7	14 0 0	1,714 11 4	1,16,699 13 3
February	86,644 11 11	54 0 0	798 2 1	85,900 9 10	1,59,675 8 5	32 0 0	1,100 13 8	1,58,606 10 9	1,45,228 6 2	17 0 0	1,685 10 4	1,43,559 11 10
March	96,972 5 4	5 0 0	1,840 8 2	95,136 13 2	86,838 3 0	4 0 0	1,805 3 4	85,036 15 8	80,540 4 8	13 0 0	460 5 11	80,092 14 9
Total ...	9,14,308 5 1	170 0 0	24,805 14 5	8,89,672 6 8	9,60,451 13 11	153 0 0	22,152 3 9	9,38,452 10 2	11,26,281 10 4	108 0 0	19,024 10 9	*11,07,364 15 7

* This figure includes the recovery of Rs. 1,530-3-3 for the month of February 1899.

ABSTRACT.

	1896-97.			1897-98.			1898-99.		
	Receipts.	Drawback.	Net Revenue.	Receipts.	Drawback.	Net Revenue.	Receipts.	Drawback.	Net Revenue.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bombay Mills	6,26,029 14 1	24,065 14 11	6,01,963 15 2	5,98,570 9 7	21,813 8 0	5,76,757 3 1	6,97,372 5 4	18,088 6 4	6,79,283 15 0
Mofussil	2,88,448 7 0	739 15 6	2,87,703 7 6	3,62,034 4 10	338 11 9	3,61,695 7 1	4,29,017 5 0	936 4 5	4,28,081 0 7
Total ...	.....	.....	8,89,667 6 8	.....	.....	9,38,452 10 2	11,26,389 10 4	19,024 10 9	11,07,364 15 7

APPENDIX VII—PART I.

Statement showing the progress of recovery of the duty for the twelve months from February 1898 to January 1899 from Bombay Mills.

(Paras. 13 and 17.)

Month in which recovered.	For February.		For March.		For April.		For May.		For June.		For July.		For August.		For September.		For October.		For November.		For December.		For January.	
	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
April 1898	32	19,754 12 0	3	165 13 3	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
May ,, ...	...	23,748 15 7	27	37,036 15 0	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
June ,, ...	...	87 6 3	2	5,031 9 6	32	34,540 1 4	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
July ,, ...	...	.....	...	.....	...	21,881 4 3	32	56,053 5 8	9	491 15 5	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
August ,, ...	...	.....	...	.....	...	.....	...	3,795 2 1	23	44,161 5 9	11	52 0 8	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
September ,, ...	...	.....	...	.....	...	.....	...	.....	1	4,564 1 1	22	40,394 15 11	9	1,257 10 3	...	.....	...	.....	...	.....	...	.....	...	.....
October ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	6,160 3 10	25	51,767 9 0	11	6,766 4 0	...	.....	...	.....	...	.....	...	.....
November ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	23	5,026 7 9	23	41,915 3 2	8	0 13 2	...	.....	...	.....	...	.....
December ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	20,488 12 6	26	39,835 3 10	2	.....	...	.....	...	.....
January 1899	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	37,510 1 4	31	38,550 3 3	1	.....	...	.....
February ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	1	41,347 13 11	33	58,653 9 10	5	245 10 2
March ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	2,784 8 6	...	14,421 9 3	29	28,151 2 11
April ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	3,947 9 4
Total ...	...	13,591 1 10	...	42,234 5 9	...	56,421 5 7	...	59,848 10 9	...	49,217 6 3	...	46,607 4 5	...	58,051 11 0	...	69,170 3 8	...	77,346 2 4	...	82,682 9 9	...	73,075 3 1	...	60,344 6 5

APPENDIX VII—PART II.

Statement showing the Progress of Recovery of the Duty for the twelve months from February 1898 to January 1899 from Mofussil Mills.

(Paras. 13 and 17.)

Month in which recovered.	For February.		For March.		For April.		For May.		For June.		For July.		For August.		For September.		For October.		For November.		For December.		For January 1899.	
	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.	Assessment.	Duty.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
April 1898	19	28,679 6 11	11	812 11 6	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
May ,, ...	8	3,008 8 6	8	30,361 6 1	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
June ,, ...	...	598 14 11	...	5,003 12 8	19	34,981 3 5	19	2,026 0 0	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
July ,, ...	...	.....	...	.....	...	9,332 5 9	*1	38,388 15 11	15	7,676 5 0	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
August ,, ...	...	.....	...	.....	...	.....	...	.....	...	18,410 0 10	5	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....
September ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	14	26,698 6 7	18	4,558 9 3	...	.....	...	.....	...	.....	...	.....	...	.....
October ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	1,027 15 8	1	17,259 5 10	16	12,336 7 8	...	.....	...	.....	...	.....	...	.....
November ,, ...	...	.....	...	.....	*1	.....	...	.....	...	.....	...	.....	...	.....	3	9,230 8 9	15	2,661 8 9	...	.....	...	.....	...	.....
December ,, ...	...	.....	...	.....	*1	24 14 1	...	.....	...	.....	...	.....	...	.....	...	3,730 15 9	4	29,776 7 1	11	3,540 13 1	...	.....	...	.....
January 1899	...	.....	...	.....	...	394 0 11	...	.....	...	.....	...	.....	...	.....	...	.....	...	6,829 5 11	8	35,116 13 2	10	.....	...	.....
February ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	2,823 0 9	9	36,883 7 4	18	6,274 12
March ,, ...	...	.....	...	.....	...	.....	...	.....	*1	5 0 3	...	.....	...	.....	...	.....	...	.....	...	.....	...	5,062 4 1	1	28,585 8
April ,, ...	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	...	1,524 14
Total ...	...	32,196 14 4	...	36,677 14 3	...	44,732 8 2	...	40,414 15 1	...	26,031 6 1	...	27,726 6 3	...	21,817 15 1	...	25,293 0 2	...	39,267 5 9	...	40,080 11 0	...	41,445 11 5	...	30,385 3

* Supplementary.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

APPENDIX VIII.

ABSTRACT OF APPENDIX VII.

(Para. 17.)

	1896-97.			1897-98.			1898-99.		
	Bombay.	Mofussil.	Presidency.	Bombay.	Mofussil.	Presidency.	Bombay.	Mofussil.	Presidency.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Assessment for the year February to January	6,37,772 15 7	2,98,202 3 0	9,35,975 2 7	5,96,311 3 7	3,68,276 7 11	9,64,587 11 6	7,18,590 6 10	4,12,974 15 8	11,31,565 6 6
Outstandings 1st April	1,017 13 3	34 1 9	1,051 15 0	12,734 13 4	9,787 13 9	22,522 11 1	10,622 7 10	16,036 0 10	26,658 8 8
Amendment fees and fines	170 0 0	.....	170 0 0	147 0 0	6 0 0	153 0 0	107 0 0	1 0 0	108 0 0
Total ...	6,38,960 12 10	2,98,236 4 9	9,37,197 1 7	6,09,193 0 11	3,78,070 5 8	9,87,263 6 7	7,29,319 14 8	4,29,012 0 6	11,58,331 15 2
Less actual receipts in the year	6,26,029 14 1	2,88,448 7 0	9,14,478 5 1	5,98,570 9 1	3,62,034 4 10	9,60,604 13 11	6,97,872 5 4	*4,27,487 1 9	*11,24,859 7 1
Outstanding on the 31st March	12,734 13 4	9,787 13 9	22,522 11 1	10,622 7 10	16,036 0 10	26,658 8 8	31,947 9 4	1,524 14 9	33,472 8 1

* These figures do not cover the recovery of duty for the month of February 1899.

APPENDIX IX.

Statement showing dutiable production, free stock issued and depression by Plague during the years of 1896-97, 1897-98, and 1898-99 (in lákhs of pounds).

(Paras. 11 and 17.)

Months and Years.		Dutiable Production.		Free Stock (estimated).		Estimated Depression by Plague.*		Total.		Normal Production (estimated.)		
		Bombay.	Mofussil.	Bombay.	Mofussil.	Bombay.	Mofussil.	Bombay.	Mofussil.	Bombay.	Mofussil.	
February to May ...	1896-97 ...	146	49	55	29	...	...	201	78	204	80	Normal revenue 51 lákhs for a month in Bombay and 20 in mofussil.
	1897-98 ...	101	92	$7\frac{3}{4}$	$1\frac{3}{4}$	$95\frac{1}{4}$	...	204	$93\frac{3}{4}$	204	80	
	1898-99 ...	153	101	3	$\frac{1}{2}$	48	...	204	$101\frac{1}{2}$	204	80	
June to August ...	1896-97 ...	134	44	10	10	...	...	144	54	147	54	Normal revenue 49 lákhs in Bombay and 18 in mofussil, as this is a period of monsoon.
	1897-98 ...	123	43	$4\frac{1}{2}$	$\frac{3}{4}$	$19\frac{1}{2}$	...	147	$43\frac{3}{4}$	147	54	
	1898-99 ...	120	50	$1\frac{3}{4}$	$\frac{1}{4}$	$25\frac{1}{4}$	...	147	$50\frac{1}{4}$	147	54	
September to January.	1896-97 ...	203	89	10	$6\frac{1}{2}$	57	...	270	$95\frac{1}{2}$	270	110	Normal revenue 54 in Bombay and 22 in mofussil, as these are the busy months during the year.
	1897-98 ...	235	110	$5\frac{1}{4}$	$\frac{3}{4}$	$29\frac{3}{4}$	...	270	$110\frac{3}{4}$	270	110	
	1898-99 ...	264	122	$1\frac{3}{4}$	$\frac{1}{4}$	$4\frac{1}{4}$	...	270	$122\frac{1}{4}$	270	110	
Entire year ...	1896-97 ...	483	182	75	$45\frac{1}{2}$	57	...	615	*$227\frac{1}{2}$	621	244	* Decrease than the normal is due to the less number of mills in that year.
	1897-98 ...	459	245	$17\frac{1}{2}$	$3\frac{1}{4}$	$144\frac{1}{2}$	...	621	*$248\frac{1}{2}$	621	244	* Excess seems to be on account of better trade in mofussil when plague was in Bombay.
	1898-99 ...	537	273	$6\frac{1}{2}$	1	$77\frac{1}{2}$	...	621	*274	621	244	

* The production is not affected in the very month in which there is plague but in the succeeding months.

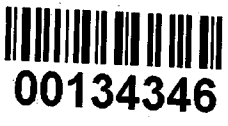
APPENDIX X.

Comparative Statement showing the disposal of Applications for Free Export during 1896-97, 1897-98, and 1898-99.

(Paras. 19.)

Year.	Number of Applications pending on 31st March.	Number of Applications received.	Total Applications.	Number of Applications on which Certificates were granted.	Balance treated for Drawback.	Number disallowed under Section 21, Clause I.	Number disallowed under Section 23.	Number disallowed for Irregularity.	Number allowed but time-barred under Section 51 of S. C. Act.	Number allowed and paid.	Number pending on 31st March.	Total.
1896-97	78	3,488	3,566	2,801	765	5	26	7	27	615	85	3,566
1897-98	101	3,361	3,462	2,815	647	5	4	11	9	538	80	3,462
1898-99	80	2,688	2,768	2,211	557	1	...	4	2	405	145	2,768

S. M. EDWARDES,
Assistant Collector of Land Revenue,
Customs and Opium.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